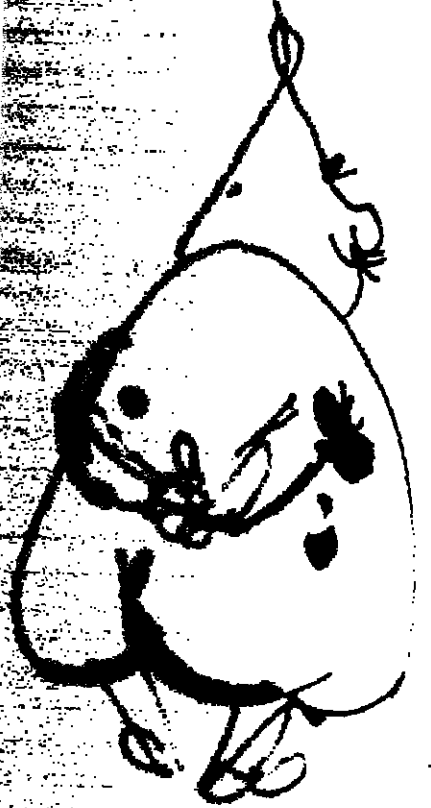


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# Herald INTERNATIONAL Tribune

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PAGE 19

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## Iowa Race: It's the Battle for Second Place

By Dan Balz and Edward Walsh  
Washington Post Service

DES MOINES, Iowa — The once-placid Iowa Republican caucuses turned into a combustible free-for-all in the final weekend of the campaign, as Senator Bob Dole of Kansas appeared to solidify his claim on first place and his rivals battled furiously for the second and third spots.

With many Iowa Republicans still undecided, the conservative commentator Patrick J. Buchanan and former Governor Lamar Alexander of Tennessee appeared to be gaining ground, according to public and private polls and interviews with activists statewide.

The millionaire publisher Steve Forbes, once the clear second-place choice here, continued to suffer from the pounding he has been receiving from Mr. Dole and the rest of the field, and from a backlash against the negative advertising campaign he has been waging here since last fall.

Senator Phil Gramm of Texas, who said last week that anything less than a third-place finish would sink his hopes for the nomination, was counting on

his grass-roots organization to reverse his decline.

Four other candidates will be competing at the precinct caucuses Monday night: Senator Richard G. Lugar of Indiana, the radio talk show host Alan Keyes, Representative Robert K. Dornan of California and the Illinois businessman Morry Taylor.

Iowa Republicans said that, of the four, Mr. Keyes could play the most influential role in determining the outcome because his popularity among religious conservatives and anti-abortion activists could take votes from

both Mr. Buchanan and Mr. Gramm.

The sudden convergence of the candidates battling for second place left many veterans of the caucus process perplexed. "This is very honestly the weirdest race I've ever been in," said Marlys Popma, deputy Iowa campaign manager for Mr. Gramm.

The race has been by far the most negative in the history of caucuses, and with so much volatility and so many undecided voters, it got nastier in the final hours as the candidates criss-

crossed.

See IOWA, Page 8

## Dublin Condemns U.K. Stand on IRA

### Ireland Leader Assails Major; Sinn Fein Says Talks Are Over

By Richard W. Stevenson  
New York Times Service

LONDON — In tones suggesting the difficulty of keeping the Northern Ireland peace process on track, the Irish prime minister Sunday sharply criticized Britain's approach to negotiations, and the Irish Republican Army's political representatives said the effort had collapsed.

After playing down the deep rifts between them in the immediate aftermath of the bombing by the IRA of an East London neighborhood Friday night, the parties to the province's long sectarian conflict reiterated their commitment to peace but again asserted their opposing positions with no hint of compromise.

favoring the Unionist parties representing the Protestant, pro-British majority.

"I believe the idea of having an election of the kind suggested immediately after the resumption of violence would pour petrol on the flames," Mr. Bruton said in a BBC interview. "I think it would be a serious mistake."

Mr. Bruton restated Ireland's proposal for a Bosnia-style peace conference in which all parties would be present but would not necessarily negotiate directly.

Sinn Fein's No. 2 official, Mitchell McLaughlin, said the bombing had effectively ended the peace process. In what has become Sinn Fein's primary response to the bombing, Mr.



A fire fighter looking down Sunday from a building devastated by bombing in London's Dockland area. Two bodies have been found in wreckage.

## Just a Bosnian 'Bump in Road,' Holbrooke Says

By Christine Spolar  
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — The U.S. envoy Richard C. Holbrooke tried Sunday to smooth over a simmering crisis over the arrest of Serb officers by the Bosnian government, describing the disputed detainment as a "bump in the road" for the two-month-old Dayton peace pact.

Mr. Holbrooke, due to leave the State Department in 10 days, arrived in Sarajevo to warn the factions that he expected "full compliance with Dayton."

"No exceptions," he said. "No changes."

[The Serbs had severed ties with the government and the NATO-led peace force, demanding the officers' release.]

The State Department distances itself from criticism of EU, Page 8.

But Serb political leaders said late Saturday that they would resume contacts with the NATO-led peace force and that they would tell the Bosnian Serb Army to do the same. But it was unclear whether the military would comply, The Associated Press reported from Sarajevo.

When he left Sunday afternoon for a meeting in Belgrade with President Slobodan Milosevic of Serbia, Mr. Holbrooke said talks with Bosnian officials and the commander of the NATO-led force there, Admiral Leighton Smith, had reassured him that the "first serious challenge" to the accord could be resolved.

The U.S. official also discussed problems in the Muslim-Croat city of Mostar where Croatian protesters last week attacked the car of the European Union administrator who submitted an arbitration decision to reunify the city. Mr. Holbrooke is expected to travel to

Zagreb, the capital of Croatia, to emphasize adherence to the accord.

Mr. Holbrooke was sent to the former Yugoslavia after the Bosnian Serb commander, General Ratko Mladic, ordered a break in contacts with the NATO-led force to protest the arrest by the Sarajevo government of several Serbs.

Mr. Holbrooke canceled a news conference to discuss the day's developments but, in a brief statement at the Sarajevo airport before heading to Belgrade, he sounded optimistic and said he would return to Sarajevo Monday morning.

See BOSNIA, Page 8

## AGENDA Algiers Bombs Kill at Least 17

PARIS (Reuters) — Two car bombs rocked Algiers on Sunday, one of which killed at least 17 people in the center of the capital.

The first bomb did not kill anyone. Security officials said the second exploded outside a building that houses the offices of Algerian newspapers. It killed 17 people and wounded 52, they said.

The first bomb wounded about 40 people in a neighborhood that is considered a bastion of Muslim fundamentalists who are fighting to overthrow the government.

## Blast in Bahrain

MANAMA, Bahrain (Reuters) — A home-made bomb went off next to a luxury hotel here in the capital Sunday and wounded four people, an official said.

It was the second bomb blast in less than a month at a hotel in the center of the Gulf's main financial center.

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.000
Antilles	12.50 FF	Morocco	14 Dh
Cambodia	1.800 CFA	Qatar	10.000 Rials
Egypt	SE 5	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1.100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2.800 Lire	Tunisia	1.250 Din
Ivory Coast	1.250 CFA	U.A.E.	10.00 Dirh
Jordan	1.250 JD	U.S. Mail	\$1.20

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## In Post-Communist Era, U.S. Diplomacy's Motto Is 'Money Talks'

By Michael Dobbs  
Washington Post Service

HELSINKI — Secretary of State Warren M. Christopher had a blunt message for Croatia's president, Franjo Tudjman, on his latest swing through Europe and the Middle East: If you want economic integration with the West, you had better cooperate with the United States.

By the time he had finished his trip here in Helsinki, Mr. Christopher had delivered a similar message to the leaders of Bosnia, Russia, Serbia, Syria,

Ukraine and the Palestinian Authority. There was no need to make the pitch in Israel, whose foreign policy is based on a strategic partnership with the United States.

If there is a theme running through

NEWS ANALYSIS

the foreign policy of the Clinton administration, it is extracting political leverage out of America's position in the global economy. Uncle Sam may have trouble putting together a budget, but he still holds the key to unlocking

billions of dollars in international loans.

In the post-Cold War era, the best measure of a country's power is not the number of nuclear missiles it possesses, but the number of votes it controls in institutions like the International Monetary Fund.

Integration into the world economy is particularly enticing to former Communist countries with struggling economies. Incorporating these countries in the global marketplace is one of the foreign policy challenges facing the United States in the post-Communist

era, for political as much as economic reasons.

"It does not take a genius to see what happened in western Europe after World War II," said a Christopher aide, alluding to the influx of American money in the form of the Marshall plan. "People who trade don't fight. They have shared interests in the way that autarkic economies do not."

The United States has used its economic power with mixed results. As a general rule, the smaller and more bankrupt the country, the more susceptible it is to American arm-twisting.

U.S. officials are convinced that three years of tough economic sanctions helped produce a fundamental shift in the outlook of Serbia's Slobodan Milosevic, turning him from a warmonger to a peacemaker. Other Balkan leaders have also shown that they are amenable to American economic pressure.

With a country as large as Russia or China, a reverse logic begins to apply. The United States may threaten to withhold loans or trade deals, but is very reluctant to hold vital foreign policy in-

See CLOUT, Page 8

## Jackson Video Arouses Mixed Feelings in Rio

### Residents Don't Share Official Touchiness

By Diana Jean Schemo  
New York Times Service

RIO DE JANEIRO — In the sweltering heat of a summer afternoon in the hillside slum of Santa Marta, a toddler cools herself under the water dripping from a rag that dangles from a wire stretched high above her head. Raw sewage runs down the hills, sending nauseating odors through the neighborhood. Drug dealers stand at checkpoints along winding alleys.

This is the favela, or hillside slum, that the singer Michael Jackson will use as a backdrop for his music video, "They Don't Care About Us."

The knowledge that the poverty here will be used as an international image of urban misery has sparked an emotional debate dividing the "Marvelous City," as Rio likes to be called.

The furor began two weeks ago, when word got out that Mr. Jackson would descend on either Santa Marta or Rocinha, Latin America's largest hillside slum, to film his video.

Ronaldo César Coelho, the state secretary for industry, commerce and tourism, complained that such a video

would damage the city's image, and reportedly said he would demand editing rights over the finished product.

"I don't see why we should have to facilitate films that will contribute nothing to all our efforts to rehabilitate Rio's image," he told newspapers.

Governor Marcello Alencar said the favela should charge Mr. Jackson for the right to film there and offered the residents legal help.

Pelé, the former soccer superstar, now minister of sports, complained that the filming would hurt Rio's chances to host the Olympics in 2004.

"We've always oriented producers to show the good that Rio has," said Cristina Becker of the Rio Convention Bureau. "If Michael Jackson only wants to show the bad side, it's better that he not come."

A few days later, a lawyer went to court to try to prevent the filming, and a judge issued an injunction.

Spike Lee, who is directing the singer's music video, called Brazil a "banana republic" for what he described as a flurry of half-baked efforts to



Michael Jackson waving to fans as he arrived in Salvador, Brazil.

## Why the U.S. Wants to Help North Korea

By Jim Mann  
Los Angeles Times Service

WASHINGTON — The Clinton administration believes that North Korea beset by an immediate food shortage and longer-term economic woes, may now be in the initial stages of a collapse similar in some ways to those that toppled the Communist regimes of Eastern Europe in 1989, according to administration officials.

Several recent signs from North Korea — severe food and energy shortages, a sharp upsurge in defections, a

NEWS ANALYSIS

cial disorder and seemingly erratic or desperate behavior by the regime — have put Washington on alert to the possibility that the country may be falling apart.

As a result, over the last few months the Clinton administration has for the first time quietly begun to alter American policy to try to make the changes North Korea more gradual. The goal is to stave off an explosive collapse that could lead to a massive wave

See KOREA, Page 8





For Hillary Rodham Clinton, the highly visible power-sharing role that symbolized Bill Clinton's early presidency is decidedly over.

## A Climate of Secrecy / She Divided World Into 'Us and Them'

# How Hillary Clinton Misread Washington

By John F. Harris  
and Ann Devroy  
Washington Post Service

WASHINGTON — Hillary Rodham Clinton came to Washington three years ago, armed for battle. Filled with grand plans for her husband and herself, the new first lady also was steeped in suspicion of the Washington culture — from Capitol Hill to the news media, to the permanent staff of the White House itself — she believed was out to thwart them.

She wanted Secret Service officers and a host of other support staff checked for loyalty. She wanted the administration to draft its own detailed plan for revamping health care, dismissing those who said President Bill Clinton should lay down broad principles and leave the details to Congress. Later, she argued that the way to confront nascent investigations into the Whitewater and White House travel office affairs was to provide as little information to the media as possible.

Her mind-set, according to several people who watched her in action, divided the world between loyalists and nonloyalists; one former White House aide called it "an us and them mentality" very, very large.

Today, as the Clintons head into a new battle for re-election, some close to her say she realizes that her particular mix of instincts about Washington — expansive ambition combined with a defensive operating style — was highly combustible. But decisions made in that first year continue to carry large consequences.

The fact that investigations into Whitewater and the travel office now are focused on Mrs. Clinton is arguably due in large measure to the climate of secrecy she imposed on those matters early on. That same mind-set has played a major role in the demise of the image — if only partly the reality — of the unabashed shared-power arrangement of the Clintons' first two years.

"Perhaps if we had been wiser in the ways of Washington, . . . she

misused during her recent tour to promote her new book on children, in an interview with The Washington Post that touched on the Whitewater controversy. "And I mean this in all respects because obviously much of this is of our own making because we did not understand how this could have a life of its own."

Some two dozen interviews with those familiar with Mrs. Clinton's experience in Washington, including current and former administration officials, suggest that the power-couple presidency of the early Clinton years, symbolized by her stewardship of health care policy, is emphatically over. But these same sources, most of whom spoke only on the condition they not be identified, say it is wrong to conclude that the "them" of Mrs. Clinton's world have won the battle.

It is true also that Mrs. Clinton has linked herself increasingly over the past year to issues concerning women and children, in a way that is more in keeping with what past first ladies have done. At the same time, a woman who has been a political activist for as long as her husband, as far back as the early 1970s, has scarcely drained her role of policy and ideological substance.

She has been given a bum rap, said the president.

"Look, health care is the toughest, meanest issue in the world," he said in an interview. He said that the administration had made mistakes along the way, but he added: "I don't think there had anything to do with her being involved in it. They were my mistakes and I was responsible for it. So I just think it's wrong to put it on her."

Might Mrs. Clinton again take over stewardship of a major policy in a second term? "Absolutely," Mr. Clinton said in the interview. "But that'd be up to her."

Then, he modified his answer. "I guess the short answer to your question is I've given no thought to that one way or another," he said. "It hadn't crossed my mind."

The question has crossed her mind, however. After the failure of the health care initiative in 1994, people familiar

with her work say, Mrs. Clinton went into a season of doubt.

Upset at the rejection of her health care plan by both Congress and the public, uncertain of the reasons why, she agreed with the advice of some of the administration's political advisers that it was no longer wise for her to be wielding authority in a public way.

The history of the first three years of the Clinton administration shows that many of the most spectacular misjudgments of the administration bear her imprimatur. Mistrust of people outside her circle of loyalists was a common theme.

Her reluctance to disclose information in the Whitewater affair, say Republicans, has led to fundamental questions about her and her husband's integrity. Her pressure, according to White House aides, led to the controversial firing of the White House travel office staff. The practicing lawyer of the family, she played a major role in selecting the first two aborted candidates for attorney general, as well as in the appointment of the now-resigned White House counsel Bernard Nussbaum.

A former representative, Jim Cooper, Democrat of Tennessee, had a close view of the administration's setback on its health care plan. He believes there is nothing wrong with putting a first lady in charge of a major policy drive. The problem with health care, he concluded, was that Mrs. Clinton is a determined liberal at a time when most of the country is not.

But one lobbyist who worked on health care reform said there was a built-in problem with putting the first lady in charge.

"There is a reluctance to tell the spouse of the president that she has a bad idea, so bad ideas live longer than they would otherwise," the lobbyist said. "You don't get that same reluctance with someone else, even if it's the chief of staff."

David R. Gergen, the Republican White House veteran brought in by Mr. Clinton to give a bipartisan flavor

to his presidency, says he is convinced the special counsel and congressional Whitewater probes would never have happened had Mrs. Clinton allowed a full disclosure of all the documents and records related to those issues.

The handling of the Whitewater episode is, to many, a case study of how Mrs. Clinton's efforts at damage control increased the damage. When the case took on new life during Mr. Clinton's second year in office because of criminal referrals made to the Justice Department, The Washington Post and other news organizations began seeking answers to a series of perplexing questions.

At the instigation of Mr. Gergen, he and a group of White House aides came to The Post to ask what it was the newspaper wanted to know. A White House aide, Bruce Lindsey, made the case that the press would never be satisfied and would use whatever information was provided to hurt the Clintons. But Mr. Gergen went down the documents and records sought and said he believed the White House could provide the information.

According to Mr. Gergen and others in the administration, when the group returned to the White House and began discussing how much information to supply, a fierce argument followed. One involved who remains in the administration said, "She said no. The documents are so complicated and incomplete they will raise more questions than they answer, and we will have an unending series of stories. The press will take them and twist it and put it in the worst possible light and it will give our enemies ammunition. No. No."

The White House released nothing. Yet much of what Mrs. Clinton fought fiercely to protect from public view two years ago now has been released under coercion, extracted by subpoena and congressional probe.

One confidant who spoke to Mrs. Clinton in that period said she asked why they didn't put the material out and get it over with. "She said, 'It's embarrassing. It's nothing wrong or illegal. It makes us look unsavory. It makes me look incompetent.'"

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## Mud Shuts Highways In Oregon

The Associated Press

SALEM, Oregon — Getting just about anywhere from the soggy towns of Willamette Valley in Oregon remained a mess over the weekend, with mud or water blocking highways and low roads in all directions.

Major interstates linking Portland to Seattle and to points east remained closed or passable only through arduous detours.

In the Cascade Range, ski resorts thrived with long-awaited snowfall are now looking for customers who cannot reach them.

"Many of our mountain passes, both to the coast and to central Oregon, are impassable," said Ron Scheele, spokesman for the Oregon Department of Transportation. "We have a few cases where smaller towns are essentially isolated. It's ugly. You can't overstate the magnitude of this."

The road closures have also disrupted commerce. Interstate 84, the major east-west freeway east of Portland, was closed after a huge mudslide west of Hood River. It will stay closed for a few more days. Meanwhile, tractor-trailer trucks loaded with goods are cooling their wheels at truck stops and rest areas.

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## Lounges in Europe

PARIS (IHT) — American Airlines has opened "arrival lounges" in six European cities as part of an upgrade campaign for business class.

The lounges, for use by first class and business class passengers arriving from the United States, are in Paris; London, Manchester and Birmingham, England, Frankfurt and Stockholm. They offer showers and telephone facilities.

The airline is also changing the business class section of its jets, to be completed for all international flights by May, to increase seat pitch, or spacing, by 25 percent; offer videotape players with a selection of 10 films per flight at each seat, and expand food offerings.

## Egypt Visitors Increase

CAIRO (Reuters) — The number of visitors to Egypt in 1995 was a record 3.205 million, compared with 2.583 million in 1994 and the previous high of 3.1

## TRAVEL UPDATE

million in 1992, according to government figures issued Sunday.

The number of nights visitors spent in Egypt rose even more sharply, to 20.517 million against 15.431 million in 1994.

## Bonn Backs Blacklist

BONN (AFP) — Transport Minister Matthias Wissmann of Germany has called for blacklisting airlines and charter flights with poor safety records after a chartered jet carrying German tourists crashed into the Caribbean.

"Charter flights and airlines that do not meet safety standards with regards to aircraft, maintenance and personnel must be excluded from international air traffic," Mr. Wissmann told the newspaper Bild.

The French cooking institute Cordons bleu is opening its fifth chefs school, in Sydney, in April. (AFP)

An outbreak of meningitis has killed

at least 465 people in northern Nigeria, health officials have reported. (AP)

A total of 731,000 foreigners stayed in Moscow hotels in the first nine months of 1995, an increase of 1.2 percent, a news agency quoted the city's tourism department as saying. (AP)

Irish policemen have increased security at the Dublin airport after the London bombing ended a 17-month Irish Republican Army cease-fire. (Reuters)

## This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Burma, Cameroon, Japan, FRIDAY: Bangladesh, Lithuania, Taiwan, Turkmenistan.

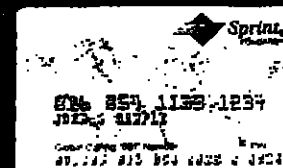
SATURDAY: Sri Lanka, Taiwan. Sources: J.P. Morgan, Reuters.

## WEATHER

Europe				Forecast for Tuesday through Thursday, as provided by AccuWeather.				Asia			
Country	Today	Low	High	Country	Today	Low	High	Country	Today	Low	High
Algeria	18/24	18	24	France	18/24	18	24	China	18/24	18	24
Andorra	18/24	18	24	Germany	18/24	18	24	India	18/24	18	24
Armenia	18/24	18	24	Italy	18/24	18	24	Indonesia	18/24	18	24
Austria	18/24	18	24	Japan	18/24	18	24	Israel	18/24	18	24
Belarus	18/24	18	24	Latvia	18/24	18	24	Italy	18/24	18	24
Belgium	18/24	18	24	Lithuania	18/24	18	24	Japan	18/24	18	24
Bulgaria	18/24	18	24	Malta	18/24	18	24	South Korea	18/24	18	24
Croatia	18/24	18	24	Moldova	18/24	18	24	Malaysia	18/24	18	24
Cyprus	18/24	18	24	Monaco	18/24	18	24	Marshall Is.	18/24	18	24
Czech Rep.	18/24	18	24	Netherlands	18/24	18	24	Mexico	18/24	18	24
Denmark	18/24	18	24	Norway	18/24	18	24	Mongolia	18/24	18	24
Estonia	18/24	18	24	Poland	18/24	18	24	Myanmar	18/24	18	24
Finland	18/24	18	24	Portugal	18/24	18	24	Nepal	18/24	18	24
France	18/24	18	24	Romania	18/24	18	24	Nicaragua	18/24	18	24
Germany	18/24	18	24	Russia	18/24	18	24	North Korea	18/24	18	24
Greece	18/24	18	24	Slovakia	18/24	18	24	Oman	18/24	18	24
Hungary	18/24	18	24	Slovenia	18/24	18	24	Pakistan	18/24	18	24
Iceland	18/24	18	24	Spain	18/24	18	24	Panama	18/24	18	24
Ireland	18/24	18	24	Sweden	18/24	18	24	Paraguay	18/24	18	24
Italy	18/24	18	24	Switzerland	18/24	18	24	Peru	18/24	18	24
Latvia	18/24	18	24	Turkey	18/24	18	24	Philippines	18/24	18	24
Lithuania	18/24	18	24	Ukraine	18/24	18	24	Poland	18/24	18	24
Malta	18/24	18	24	United Kingdom	18/24	18	24	Portugal	18/24	18	24
Moldova	18/24	18	24	USA	18/24	18	24	Romania	18/24	18	24
Monaco	18/24	18	24	Western Sahara	18/24	18	24	Russia	18/24	18	24
Netherlands	18/24	18	24	Yemen	18/24	18	24	Saudi Arabia	18/24	18	24
Norway	18/24	18	24					Singapore	18/24	18	24
Poland	18/24	18	24					Slovakia	18/24	18	24
Portugal	18/24	18	24					Slovenia	18/24	18	24
Romania	18/24	18	24					Spain	18/24	18	24
Russia	18/24	18	24					Sweden	18/24	18	24
Slovakia	18/24	18	24					Switzerland	18/24	18	24
Slovenia	18/24	18	24					Taiwan	18/24	18	24
Spain	18/24	18	24					Thailand	18/24	18	24
Sweden	18/24	18	24					Turkey	18/24	18	24
Switzerland	18/24	18	24					Ukraine	18/24	18	24
Taiwan	18/24	18	24					USA	18/24	18	24
Thailand	18/24	18	24					Uzbekistan	18/24	18	24
Turkey	18/24	18	24					Vietnam	18/24	18	24
Ukraine	18/24	18	24					Yemen	18/24	18	24
USA	18/24	18	24								
Western Sahara	18/24	18	24								
Yemen	18/24	18	24								

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COUNTRIES				ACCESS NUMBERS				COUNTRIES				ACCESS NUMBERS			
Algeria	800-1000	800-1000	800-1000	Algeria	800-1000	800-1000	800-1000	Algeria	800-1000	800-1000	800-1000	Algeria	800-1000	800-1000	800-1000
Andorra	800-1000	800-1000	800-1000	Andorra	800-1000	800-1000	800-1000	Andorra	800-1000	800-1000	800-1000	Andorra	800-1000	800-1000	800-1000
Armenia	800-1000	800-1000	800-1000	Armenia	800-1000	800-1000	800-1000	Armenia	800-1000	800-1000	800-1000	Armenia	800-1000	800-1000	800-1000
Austria	800-1000	800-1000	800-1000	Austria	800-1000	800-1000	800-1000	Austria	800-1000	800-1000	800-1000	Austria	800-1000	800-1000	800-1000
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Bulgaria	800-1000	800-1000	800-1000	Bulgaria	800-1000	800-1000	800-1000	Bulgaria	800-1000	800-1000	800-1000	Bulgaria	800-1000	800-1000	800-1000
Croatia	800-1000	800-1000	800-1000	Croatia	800-1000	800-1000	800-1000	Croatia	800-1000	800-1000	800-1000	Croatia	800-1000	800-1000	800-1000
Cyprus	800-1000	800-1000	800-1000	Cyprus	800-1000	800-1000	800-1000	Cyprus	800-1000	800-1000	800-1000	Cyprus	800-1000	800-1000	800-1000
Czech Rep.	800-1000	800-1000	800-1000	Czech Rep.	800-1000	800-1000	800-1000	Czech Rep.	800-1000	800-1000	800-1000	Czech Rep.	800-1000	800-1000	800-1000
Denmark	800-1000	800-1000	800-1000	Denmark	800-1000	800-1000	800-1000	Denmark	800-1000	800-1000	800-1000	Denmark	800-1000	800-1000	800-1000
Estonia	800-1000	800-1000	800-1000	Estonia	800-1000	800-1000	800-1000	Estonia	800-1000	800-1000	800-1000	Estonia	800-1000	800-1000	800-1000
Finland	800-1000	800-1000	800-1000	Finland	800-1000	800-1000	800-1000	Finland	800-1000	800-1000	800-1000	Finland	800-1000	800-1000	800-1000



## THE AMERICAS

## Iowa Is Just the Start of a Long, Rocky Road

By Brian Knowlton  
International Herald Tribune

WASHINGTON — When 150,000 voters attend more than 2,000 local party meetings across Iowa on Monday, the presidential-nominating marathon will finally move into high speed.

To outsiders this is the beginning of a long and unwieldy process — some candidates began campaigning across the country three years ago. It is also unrepresentative — an early state in the nominating process is New Hampshire, which has only a fourth of one percent of the nation's population — not to mention expensive. Even before the big spending candidacy of the publishing millionaire Steve Forbes was under way, analysts estimated that \$550 mil-

lion would be spent, start to finish, in the presidential race.

But the caucuses in Iowa evolved largely in response to pressure for greater democratization in a sprawling country.

Over the years, this process has lessened the king-making power of party bosses and forced candidates to pay attention and explain issues to voters on a local level, often through face-to-face campaigning.

But with Mr. Forbes's advertising onslaught in Iowa and New Hampshire, some analysts say, the local aspect will suffer.

The caucuses in Iowa bring together party members to cast ballots in local meetings that will eventually send their delegates to the parties' national conventions, where nominees for the presi-

dency and the vice presidency will be chosen. In primaries in other states, like New Hampshire, voters state-wide will select delegates to attend the national conventions.

Iowa, and New Hampshire, where the primary will be held Feb. 20, have evolved as the first important tests of candidates' appeal to the voters.

But these lightly populated states play a disproportionate role in the selection process.

The Democratic National Convention will take place in Chicago from Aug. 27 to 29. Since President Bill Clinton faces no serious competition for the nomination, it will be a celebratory affair primarily of pomp and self-congratulation.

More significant will be the Repub-

lican National Convention, set for Aug. 10-16 in San Diego.

For now, most polls and analysts say that the Senate majority leader, Bob Dole of Kansas, is leading in the Republican race, in Iowa and elsewhere. But nomination in San Diego will require a majority of the delegate vote, and with perhaps four of Mr. Dole's rivals holding hopes of a second- or third-place showing, it is not inconceivable that the nominee will be unknown until August.

Iowa Republicans only begin selecting their delegates Monday. They vote for county delegates, who in turn elect state delegates who choose national delegates. But when they meet Monday, they take part in a nonbinding presidential poll. Its results are considered an important gauge of the candidates' strength.

## Choosing the Republican Presidential Candidate

Number of delegates for each Republican primary or caucus. To win the nomination, a candidate needs the support of a majority of the delegates, or 996 of the total 1990 votes.

Feb. 6	Louisiana*	delegates 30		Ohio	67
Feb. 10	Guam**	4		Wisconsin	36
Feb. 12	Iowa (c)	25	Mar. 26	California	165
Feb. 20	New Hampshire	16		Nevada	14
Feb. 24	Delaware	12		Washington	36
Feb. 27	Arizona	39	April 2	Kansas	31
	North Dakota	18	April 23	Pennsylvania	73
	South Dakota	18	April 27	Alaska (c)	19
Mar. 2	South Carolina	37	May 4	Utah (c)	28
Mar. 3	Puerto Rico**	14		Wyoming (c)	20
Mar. 5	Colorado	27	May 7	Dist. of Columbia	14
	Connecticut	27		Indiana	52
	Georgia	42		North Carolina	58
	Maine	15	May 14	Nebraska	24
	Maryland	32		West Virginia	18
	Massachusetts	37	May 17	Missouri (c)	36
	Minnesota (c)	33	May 21	Arkansas	20
	Rhode Island	16	May 28	Idaho	23
	Vermont	12		Kentucky	26
Mar. 7	New York	102	June 4	Alabama	40
Mar. 12	Florida	98		Montana	14
	Mississippi	33		New Jersey	48
	Oklahoma	38		New Mexico	18
	Oregon	23			
	Tennessee	38			
	Texas	123			
Mar. 19	Illinois	69			
	Michigan	57			

<i>Data not yet determined</i>		
	American Samoa**	4
	Hawaii (c)	14
	U.S. Virgin Islands**	4
	Virginia	53

\*Patrick Buchanan 13, Phil Gramm 8

\*\*U.S. Territories not represented in Congress and without electors casting votes in the presidential election.

## America's Grass Roots Trampled by Television

## Personal Contact Yields to Media Hype

By Elizabeth Kolbert  
New York Times Service

DES MOINES, Iowa — For decades, the New Hampshire primary and the Iowa caucuses have enjoyed an outsized influence as the first events on the election calendar. And for decades, local politicians have defended this influence on the ground that their states act as the nation's living room, where candidates and voters get together over coffee to talk about issues.

This year, though, in the midst of the most media-heavy campaign in primary history, it has become clear that the living room is dominated by a television set.

Voters go to the caucuses in Iowa on Monday and to the polls in New Hampshire eight days later. Whatever the outcome of the contests, their image as the last redoubts of "retail campaigning" has already suffered badly, perhaps irreparably. Many politicians in Iowa and New Hampshire say they are worried that the big losers of the 1996 campaign could be the caucuses and the primary themselves.

"Historically, the Iowa caucuses have been retail politics at its best — early cold mornings and late cold nights," said Thomas Whitney, a Des Moines lawyer and the former chairman of the Iowa Democratic Party. "But this year is truly different."

As a result, he said, Iowans "see the possibility of something that's really unique in this state going by the wayside."

In an address in Portsmouth, New Hampshire, former Senator Warren Rudman said: "This year, we have seen the destruction of the New Hampshire primary."

The most obvious answer to the question of why this year is different from all other years is the advertising campaign waged by Steve Forbes, the publishing magnate.

Just in the last quarter of last year, Mr. Forbes spent almost \$10 million on television and radio commercials, most of them in Iowa and New Hampshire. While money alone is not responsible for Mr. Forbes's rapid rise — his supporters have said in polls and interviews that they are attracted to his message — his spending spree has made it apparent that even in Iowa and New Hampshire, a candidate does not need to meet with voters to win their affection. In both states, Mr. Forbes vaulted to second in the polls, behind Senator Bob Dole, after he had made only a few visits to them.

But many analysts argue that Mr. Forbes is more a symptom than a cause of the change.

"This may be the nail in the coffin for retail politics, there's no doubt about it," said Steve Lombardo, a Republican pollster who worked on the Wilson campaign and grew up in New Hampshire. "But Steve Forbes didn't do it. Forbes has just accelerated New Hampshire's movement into the 21st century."

R. Kelly Myers, director of the University of New Hampshire Survey Center, said his surveys had suggested that one-to-one contact with the candidates

## POLITICAL NOTES

## Food for Thought Dished to Lobbyists

WASHINGTON — People who lobby Congress have to know the rules. But the advent of tougher lobbying restrictions has generated a whole new set of them. So lobbyists by the scores now find themselves pondering the Toothpick Rule, the Gravy Rule and, above all, the Bagel Rule.

They are the creations of Ellen Weintraub, the lawyer the House has charged with explaining this brave new world to terrorized Gucci-loafer-wearers, none of whom wants to be the first in the dock for serving too much caviar to a congressman.

Flooded with hundreds of calls from lobbyists desperately seeking guidance, the House ethics committee and the Clerk of the House are holding seminars to standing-room crowds — reform school for lobbyists, if you will — on the do's and don'ts of the new lobbying law and gift rules passed by the House and the Senate last year.

Late last week, nearly 200 lobbyists packed into a Capitol Hill meeting room to hear from Ms. Weintraub, who is a counsel with the House ethics committee.

"The truth is that you are the bogymen as far as the law is concerned," she told them. "I hope none of you will take offense."

None did.

Especially when Ms. Weintraub turned to the subject they all wanted to hear about: loopholes, or rather, "exceptions."

None of the 24 exceptions to the gift-ban were more important than those regarding food — those lobbyist-paid lavish lunches and drawn-out dinners that are all but dead under the new rules.

What is now allowed is finger food, food on the end of a toothpick, reception fare (everyone is mingling) and bagels (most bagels).

"Breakfast is sort of a funny

meal," said Ms. Weintraub, who with seven other committee lawyers has spent hours mulling over culinary quandaries. "Coffee and doughnuts are O.K. Croissants are probably all right. But I get a lot of questions about bagels and what you can put on them. Lox may be pushing it." (NYT)

## Clinton Will Fight AIDS Provision

WASHINGTON — President Bill Clinton has signed a \$265 billion defense authorization bill while promising he would not enforce a "blatantly discriminatory" provision of the bill requiring the Pentagon to discharge troops who have the virus that causes AIDS.

While House officials said the president felt that he had no choice but to sign the authorization bill because it contained a variety of other provisions that he considered vital to national defense and troop morale, including a 2.4 percent military pay raise.

Under the bill, the Defense Department is compelled to begin dismissing infected service members within six months regardless of their ability to perform their jobs. The Pentagon has estimated that slightly more than 1,000 members of the military are infected with HIV, the AIDS virus.

Mr. Clinton vowed to work with Congress "to repeal this provision before a single service member is discharged from the service." White House lawyers said the discharge provision was unconstitutional and would almost immediately draw a court challenge from advocacy groups. (NYT)

## Quote/Unquote

Roger Linn, a county Republican chairman in Iowa, on the caucuses Monday: "It's strange as hell. Buchanan is coming up very strong. Lamar is looking good. Dole and Forbes are looking pretty good, but everybody's mad at them. And right in the middle, poor old Phil Gramm." (WP)

## Away From Politics

•The engineer of a commuter train that slammed into another, killing three people, may have been fatigued after working 14½ hours with only a 4½-hour break for sleep, investigators said. John DeCurtis, 59, was making an extra run Friday for New Jersey Transit when he and two others were killed. (AP)

•A fire at a nursing home in Stamford, Connecticut, killed three elderly residents and injured at least seven, fire officials said. (NYT)

•A teenager was convicted of bludgeoning his mother, sister, nephew and stepfather with a baseball bat because he was angry about being punished for missing school. Stephen McGilberry, 18, was sentenced to death after a jury in Pascagoula, Mississippi, found him guilty of four counts of capital murder. (AP)

## AMERICAN TOPICS

## Cry of Alarm in N.Y. Over Alarm Boxes

When Mayor Rudolph W. Giuliani and fire officials first proposed shutting down New York City's fire alarm boxes more than a year ago, they said it would reduce false alarms and save \$5 million a year. New Yorkers, they added, would be better served by the city's modern, expensive telephone system than by its antiquated network of 16,300 alarm boxes.

But a survey by The New York Times, covering more than 450 public telephones in 15 city neighborhoods, found that nearly one third were broken. In addition, on many residential streets outside Manhattan, anyone running to find a public phone to report a fire would find that there are not any.

"What this shows is that if you deactivate the boxes, it is really unlikely that the level of fire protection will be as good," said Councilman Sheldon S. Leffler, Democrat of Queens, who is chairman of the public safety committee.

But Fire Commissioner Howard Safir disagreed. "Most of our calls don't come from pay phones," he said. Nearly 90 percent of all alarms are reported by telephone, he said, a vast majority coming from homes, offices and cars and from cellular telephones.

## Short Takes

Leo Jenkins, 38, who killed a brother and sister during a robbery in Houston in 1988, was executed by injection last week while family members of the victims looked on through a soundproof window. Six of the 39 states with the death penalty now permit the victims' relatives to witness the execution.

New York City politicians have rejected a crack about Harlem by the French rightist Jean-Marie Le Pen. U.S. Representative Charles B. Rangel, Democrat of New York, said Mr. Le Pen's description last week on a French radio station of a wave of school crime in France as "Harlemizing" showed "that France has its share of racism." Mr. Rangel represents Harlem, a predominantly black and Hispanic neighborhood. A spokesman for New York's Mayor Rudolph Giuliani noted that homicides in Harlem were down 44.6 percent over the last two years.

Four golfers were so intent on their game that they did not notice a small airplane heading toward them for an emergency landing. The Piper Aero, with a student pilot and his instructor on board, came down on the first fairway of the Boca Raton, Florida, Municipal Golf Course because of engine trouble. To avoid hitting the golfers, the plane had to veer and clipped a palm tree. It landed safely, but crumpled. "Everything would have been O.K. if those damn golfers would have moved out of the way," said the instructor, Scott Slinko. Said one of the golfers, Irv Brown, "Concentration: that's the name of the game."

International Herald Tribune

## John F. Pfeiffer, 75, Dies, RCA Executive Producer

New York Times Service  
NEW YORK — John F. Pfeiffer, 75, an executive producer at RCA Red Seal who recorded many of the great classical musicians of the century, died Thursday at his office here.

Marilyn Ego, a spokeswoman for RCA, said that the cause was a heart attack.

Among Mr. Pfeiffer's productions were classic recordings by the violinist Jascha Heifetz, the pianists Vladimir Horowitz, Arthur Schnabel and Van Cliburn, and the conductors Arturo Toscanini, Eugene Ormandy and Charles Munch, among others.

In recent years, he oversaw the remastering for compact disc of dozens of historic recordings, many of which he had produced originally.

Eligio Panti, 103, a traditional healer whose herbal remedies attracted scientific attention and drew thousands of patients to his hut, died Feb. 4 in San Antonio, Belize.

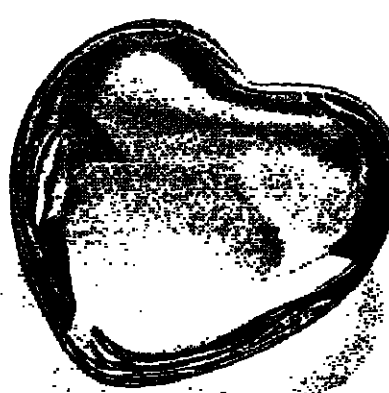
Adolf Galland, 83, a World War II German fighter ace credited with 104 victories, died at his home in Remagen, Germany, on Friday, a war veterans group said.

Derek Worlock, 76, the Roman Catholic archbishop of Liverpool, died Thursday of cancer.

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The International Herald Tribune  
Salutes the Winners of the  
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of America Awards  
(with an especially proud nod to our own Suzy Menkes)

Womenswear Designer of the Year  
Ralph Lauren

Menswear Designer of the Year  
Tommy Hilfiger

Perry Ellis Award for New Fashion Talent (Womens)  
Marie-Anne Oudejans for Tocca

Perry Ellis Award for New Fashion Talent (Mens)  
Richard Tyler & Richard Bengtsson & Edward Pavlick for Richard Edwards

Perry Ellis Award for New Fashion Talent (Accessory)  
Kate Spade

Accessory Award  
Hush Puppies

International Award  
Tom Ford for Gucci

Eugenia Sheppard Award for Fashion Journalism  
Suzy Menkes, International Herald Tribune

Special Award for Bringing the Fashion World to Cinema  
Isaac Mizrahi & Douglas Kieve for "Unzipped"

Special Award for Excellence in Floral & Event Design  
Robert Isabell

Special Award for a Lifetime of Style  
Lauren Bacall

Lifetime Achievement Award  
Hubert de Givenchy

Dom Pérignon Award for Humanitarian Leadership Beyond Fashion  
Bill Blass

Herald Tribune

THE WORLD'S DAILY NEWSPAPER



## ASIA

## BRIEFLY ASIA

## Bangladeshi Riot Kills Officer

DHAKA, Bangladesh — A senior police officer was shot dead and at least 40 people wounded Sunday in continuing riots ahead of Bangladeshi parliamentary elections next Thursday, the police and witnesses said.

Assistant Commissioner Bashir Ali was hit by several bullets during fighting between policemen and opposition activists in Chittagong, the police said.

The wounded were hit by bombs thrown by the activists as well as tear gas and batons used by policemen. All major opposition parties are boycotting the elections, saying they are rigged to ensure victory for Prime Minister Khaleda Zia's party. (Reuters)

## 9 Timorese Do Not Get Asylum

JAKARTA — Nine East Timorese who sought refuge in the Australian Embassy in Indonesia last week have not produced enough evidence to justify political asylum, an embassy official said Sunday.

"They have been told they can apply for visas to travel to Australia or to Portugal," the official said.

The nine, who jumped the perimeter fence Wednesday, are part of a wave of embassy break-ins by East Timorese seeking to flee. The United Nations does not recognize Jakarta's annexation of East Timor. (Reuters)

## Manila Seizes Pirate Suspects

MANILA — Philippine warships seized a suspected Chinese pirate vessel and its crew of 20 after they tried to ram a navy boat in a battle northwest of Manila, officials said Sunday.

There were no casualties in the second sea clash in three weeks between the Philippine Navy and suspected Chinese vessels near a former U.S. base at Subic Bay. "Definitely this is a foreign ship, possibly Chinese," Vice Admiral Pio Carranza said. (Reuters)

## Pakistan Fired First, India Says

JAMMU, India — India denied on Sunday an accusation by Pakistan that Indian troops had started the firing on military posts along the Kashmir border overnight Saturday.

"Pakistan has again tried to mount tension on the border after a lull of 12 days by firing at Chamail post," a Jammu and Kashmir government spokesman said. "Indian border security forces also returned the fire," he added. "It has become routine for Pakistani troops to adopt such tactics to give cover to militants and mercenaries attempting to slip into India." (AFP)

## VOICES From Asia

Gulbuddin Hekmatyar, former prime minister of Afghanistan, calling for a conference of Afghan leaders, including President Burhanuddin Rabbani, to resolve the civil war. "I think the Pakistan government should invite all leaders, including Rabbani, to sit together and find a solution through sincere negotiations. Pakistan, more than any other country, can play such a role." (AFP)

Ung Huot, foreign minister of Cambodia, on the country's pursuit of full membership in the Association of South East Asian Nations in 1997. "We will definitely apply before July. There is no question about that and no indication that we will delay the application." (AFP)



A relative at scene Sunday of the tunnel collapse in Japan that buried 20 people.

## Rescuers Stymied in Japan

## Attempt to Blast Gigantic Rock From Tunnel Fails

Compiled by Our Staff From Dispatches

FURUBIRA, Japan —

Rescuers blasted the side of a mountain with dynamite on Sunday in an attempt to reach about 20 people trapped in a collapsed highway tunnel, about 900 kilometers north of Tokyo on Japan's northern island of Hokkaido.

Rescuers had reached as far as the front bumper of the mangled bus on Sunday, but no signs of life could be found. Officials believe that 19 people were on board, including the driver, and that one person was in the car. In an attempt to clear away the bulk of the large oblong boulder, officials planted 250 kilograms of

dynamite in 21 places on the boulder, hoping that the top-most part of the slab would topple into the sea.

The boulder is about 70 meters tall and 40 wide, and officials believe it weighs about 50,000 tons. But the blasts only crumpled the lower part of the rock into dust, leaving the rest of the boulder slightly lower but still upright. The rock appeared to be directly on top of the bus.

Anguished family members kept a vigil as snow swirled around the opening of the tunnel and the temperature dropped well below freezing. (AP, AFP)

## Tokyo and Seoul Feud Over Islands

TOKYO — Japan's tortured relations with South Korea plunged again Sunday because of a dispute over ownership of two tiny islands. Members of Parliament from Japan's governing coalition called off a visit on Sunday to South Korea after President Kim Young Sam canceled a meeting with them.

Mr. Kim said Japan's claim to the two rocky islands, which Japan calls Takeshima and Korea calls Dokdo, was "intolerable." "The postponement is deeply regrettable as the aim of the visit was to have a frank exchange of views on a series of issues between Japan and South Korea," the Japanese embassy said in a statement.

In South Korea, demonstrators took to the streets to protest the renewed Japanese claim to the islands. They held rallies in Seoul, burning the Japanese flag along with an effigy of the Japanese foreign minister, Yukihiko Ikeda.

The islands, which have a total area of only

250 square meters, are located about 700 kilometers (450 miles) northwest of Tokyo and about 450 kilometers east of Seoul in the Sea of Japan. The dispute erupted Friday when Mr. Ikeda protested to Seoul about its plans to improve a wharf on one of the islands.

"The islands are historically, and in the view of international law, an integral part of Japan," Mr. Ikeda said. "This move is extremely regrettable. We urged them to stop the work and lodged a protest."

The islands are surrounded by rich fishing grounds and the sea bed is believed to contain extensive mineral deposits.

Japan says it has owned the islands since 1905, while South Korea has claimed them since 1945, and has deployed border guards on them since 1954.

Japan-South Korea relations are regularly in turmoil, rooted in Japan's colonization of the Korean Peninsula from 1910 to 1945.

## Russia-China Ties Warm, In a Cool Kind of Way

## 'New Type of Partnership' Is Foreseen

By Steven Mufson  
Washington Post Service

BEIJING — Stalin never came here. An insulted Nikita S. Khrushchev cut short a visit from seven days to three. Mikhail S. Gorbachev became a sideshow in 1989 when he arrived while Tiananmen Square was in the grip of student demonstrations.

But when Boris N. Yeltsin visits China in March or April for the second time since he became president of Russia in 1991, he can expect a warmer welcome. Russian and

## NEWS ANALYSIS

Chinese diplomats here say the two nations will sign at least 10 agreements aimed at establishing a "new type of partnership" without creating a military or political alliance.

"We have to say, in terms of history, the relationship is the best it has ever been," said Zhou Li, first secretary of the Chinese Foreign Ministry's department of East European and Central Asian affairs.

That is not saying much. Relations between Moscow and Beijing historically have been rocky. In the 1950s, Stalin derided Mao as a turnip, "red on the outside and white on the inside." Mao disliked Mr. Khrushchev. In 1960, the Soviet Union withdrew its advisers from China, leaving hundreds of factories and weapons projects incomplete. In 1969, the two nations clashed along their border.

But in recent years, efforts have been made at détente. A steady stream of senior leaders has flowed back and forth between the two capitals, trade has grown substantially, and even military cooperation has resumed.

Ironically, relations between the two nations have converged as their domestic policies have diverged. Unlike in the 1950s, when the two giant nations were devoted to rigid forms of communism, both are now following radically different strategies — one sudden and one gradual — for moving to free markets. Russia also has pursued political transformation and individual freedoms that Chinese leaders consider chaotic and view as lessons in what to avoid in China.

"This is a partnership free of any ideological basis or background," said Igor Rogachev, Russia's ambassador to Beijing. "It is just to establish peaceful coexistence. The 2,700-mile border between the two countries, Mr. Rogachev said wryly, means 'we're doomed to have good relations with China.'"

Nonetheless, Mr. Yeltsin's visit to China will be carefully watched by U.S. policymakers concerned that Moscow and Beijing may be seeking a rapprochement to help each other

resist Western pressure and initiatives on issues ranging from arms control to human rights.

"Both China and Russia have felt diplomatic pressure from the West," said Zheng Yu, deputy director of the section for Russian studies at the Chinese Academy of Social Sciences. "Therefore China and Russia have sought cooperation and reassessed the importance of their relationship."

China's quest for better relations with Moscow has been spurred in part by the growing conviction within the Communist leadership that the U.S. government wants to frustrate China's aspirations for global power status. Government sources have said that President Jiang Zemin, in a speech for party circulation, said the United States was pursuing a policy of "soft containment." The phrase echoes the U.S. containment policy the pursued against the Soviet Union during the Cold War.

At the same time, Russian and Chinese officials deny using each other's nations as trump cards to play against the Americans in a game of global strategy.

"We can't imagine good stability in the Asian region without good China-U.S. relations, and we would like good relations with your country," Mr. Rogachev said. "So we wouldn't want to play any card in this triangle."

Mr. Zheng said that China needed to ally itself with other countries to resist pressures from the United States but that the United States was the "number one country" on China's foreign policy agenda.

"Chinese experts in Russian affairs believe that Chinese policymakers must take into consideration what negative impact in-depth Chinese-Russian cooperation would have on the Chinese-U.S. relationship," he said.

Trade between Russia and China has dipped after a peak of \$8 billion in 1993. Trade last year amounted to \$3.5 billion, far below the \$40 billion in Chinese trade with the United States.

Neither country's economy complements the other's — both need the investments, technology and markets that only the United States and Europe can provide. Neither can help the other gain admission to the World Trade Organization. Moreover, each country still regards the other as a rival and potential threat, both militarily and in export markets.

Still, the accords to be signed during Mr. Yeltsin's visit are wide-ranging. Chinese and Russian diplomats say that security accords will be signed covering the installation of a Moscow-Beijing hotline, the pullback of border troops, the sale of advanced Russian Su-27 fighter jets and a venture that will let China start building such planes in China.

## Keating Fails to Land 'Killer Blow'

Reuters

CANBERRA — Prime Minister Paul Keating of Australia, fighting for the life of his 13-year-old Labor government, was narrowly judged the winner Sunday in a televised debate with his conservative opponent.

But political analysts said Mr. Keating had failed to score the decisive victory that his flagging campaign needed ahead of the March 2 general election.

Mr. Keating, trying to whittle away a strong lead in the polls held by John Howard, the opposition leader, appealed to voters not to turn their backs on his government's economic reforms and its push to establish ties to the dynamic economies of Asia.

"If people believe they can give three years to the opposition, to a party trying to copycat the government, to adopt the government's policies — I assure them that the fire will go out," Mr. Keating said in the hour-long debate.

"What's kept Australia changing in this decade is a government prepared to take the hard decisions and to make a change," he said.

A sampling of the audience

who watched the debate gave Mr. Keating 51 percent to Mr. Howard's 49 percent.

Labor Party strategists had been looking to the debate to turn Mr. Keating's campaign around.

"There was no killer punch," said Paul Lynham, a political commentator. "I don't think Howard has come away from this tonight significantly down in his standing in the community," he said. "I don't think Keating has done himself an enormous amount of good."

Mr. Howard, seizing on Labor's long period in office, said: "This present government has now been in power 13 years, and it's developed all the signs of arrogance, of being out of touch, of taking people for granted."

Earlier Sunday, Mr. Keating gave details of how he would fund \$3.5 billion Australian dollars (\$2.6 billion) of Labor's election promises by announcing a tax crackdown on wealthy Australians and other revenue and savings measures.

Announcing the tax measure, Mr. Keating said his government was the first major political party in Australian

history to go to the polls with an offer to strengthen the budget instead of blatantly trying to buy votes by favoring special interests.

"This must be the first election in Australian federal history where the government has actually strengthened the budget during the course of the election campaign," he told reporters.

Mr. Keating has promised everything from more free health insurance to a new ferry for the island state of Tasmania in his quest for a record sixth consecutive Labor victory.

He said his assault on tax avoiders and other revenue measures would more than pay for his plans.

Mr. Howard has pledged to explain this week how he will pay for his election promises, also worth billions of dollars. His opposition coalition of the conservative Liberal and National parties leads the government by about 9 percentage points in the main public opinion polls.

Mr. Keating and Mr. Howard, who have each spent about 25 years in Parliament, said they would quit politics if they lost on March 2.

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**THE CHINA PRESS/AGENCE FRANCE PRESSE**



EUROPE

# For Germans and Czechs, Some War Wounds That Just Won't Heal

By Alan Cowell  
New York Times Service

PRAGUE — In his book-lined study here, Ivan Klima, one of the foremost Czech authors, recalls the days a half-century ago when surviving Jewish families like his finally fled the concentration camps to find their land awash in killing and chaos. He was then 14, and even in the final days of World War II, he said, so many Czechs were shot by their German occupiers "for nothing" that humanity seemed lost.

Karl Heinz Wunderlich, a psychologist from the former ethnic German minority in Czechoslovakia, remembers that period, too. In his mind's eye, he still sees the Czech soldiers who, when he was 8, came to his family's door in what was then the Sudetenland of Czechoslovakia, which Hitler annexed in 1938. Now living in Mainz, Germany, Mr. Wunderlich recalls how Czechs toting submachine guns loaded people onto freight trains — the lucky ones, that is, who endured what he calls ethnic cleansing rather than massacre as the Czechs purged their land of 3 million ethnic Germans.

Between them, the two men represent the emotional poles of a crisis between Germany and the Czech Republic that has burst forth virulently in recent weeks, representing one of the most corrosive disputes in central Europe since the fall of the Iron Curtain. It is a conflict over a dark and tangled past that could hinder Czech ambitions to be included in

the European Union and the North Atlantic Treaty Organization, and evokes the same mutually canceling visions of history and collective guilt in Central Europe as those bedeviling the Balkans.

"The past still will not release us," the German foreign minister, Klaus Kinkel, told Parliament this month. "We Germans have done the Czechs an evil injustice, opened wounds that are not yet healed and still cause pain. But, also, injustice was done to the Sudeten Germans through expulsion and confiscation of their property."

The dispute, moreover, has left the

has no problems with any of its neighbors.

"Even Bismarck could not achieve that," she said.

At issue is a relatively simple equation: Germany will not pay wartime compensation to the hundreds of thousands of its victims here until the Czech authorities apologize for the expulsion of the Sudeten Germans.

In December 1989, shortly before he became president of Czechoslovakia, Vaclav Havel said that Czechs had a duty to apologize for the wrongs committed against ethnic Germans.

But in the face of widespread criticism, he has since qualified his statement.

The Czechs, said Jiri Pahe, a political analyst here, "feel that they didn't do anything wrong, that the expulsion was an appropriate response to what German citizens had done to the Czech people."

Neither do the Czechs wish to be exposed to German claims for restitution or compensation for confiscated property — the central point for the politically powerful descendants of Sudeten Germans. "For us on the Czech side, the matter is very clear," Jiri Grusa, Prague's ambassador in Bonn, said in an interview. "We have said that the events after the second world war were not the best chapter in our history. But we cannot offer a general acknowledgment as long as the Germans have not relinquished their claims."

The historical facts — though disputed in their shadings — are well

known. Emboldened by the British and French policy of appeasement toward Nazi expansionism, Hitler annexed the Sudetenland — parts of the present-day provinces of Bohemia and Moravia — in 1938 with the broad support of the German minority. At that time it was the second biggest ethnic group in what was then Czechoslovakia.

Then, in March 1939, German troops marched into Prague, occupying the land with predictably grim results. During the war, Mr. Klima said, Czechoslovakia's Jewish population fell to 1,000 from 120,000.

At war's end, the Czech authorities perceived the Sudeten Germans collectively as a fifth column for the Nazis, though by no means all of them had been active collaborators with the occupiers.

Nonetheless, in a series of decrees, the first postwar president, Edvard Benes, sanctioned their expulsion and granted amnesty to Czechs for the killing of between 15,000 and 240,000 ethnic Germans, depending on who is doing the counting.

Throughout the Cold War, the issue was suppressed by the Communist authorities in Prague, and German officials preferred to ignore it.

But, since then, Mr. Havel, former President Richard Weizsacker of Germany and, more recently, Germany's current president, Roman Herzog, have sought to keep alive the idea that the issue must at some time be resolved, particularly since the Czech Republic sees Germany as its most important po-

tential ally in securing membership in the European Union and NATO.

And so, last year, the two countries began negotiations on a parliamentary declaration intended to present a mutually acceptable view of the past.

To the consternation of politicians in Bonn and Prague who had wanted to keep the discussions a secret, the negotiations stumbled publicly into deadlock last month, tripped by competing

1938, at a time when everybody knew about the persecution of the Jews, and opponents in the concentration camps. It was their voluntary choice. We can't accept that we should apologize for the brutality of the Czech side, which is nothing to be proud of. But it happened and it was a response to what had happened before."

Now hear the version of Mr. Wunderlich, the psychologist in Mainz.

"Before the war, the Sudeten Germans were persecuted by the Czechs, not physically, but psychologically. German jobs in civil service were given to Czechs. No school meals were served in German schools, only in Czech schools. The Czechs drove us into the arms of Hitler. We didn't know what was going on in Germany. But when the Nazis marched in we soon found out: 60,000 Sudeten Germans, Social Democrats, were imprisoned."

And, he said, at war's end, "within a few weeks, 240,000 Sudeten Germans — almost a tenth of the German population — were killed by the Czechs. People were given as little as two hours to leave, marched to the railroad stations at gunpoint, stripped of their valuables and loaded onto freight trains."

"Most Czechs today have no feeling of guilt, but they must recognize that they committed a crime — ethnic cleansing."

Mr. Wunderlich said. "They want to draw a line even before they have come to terms with it. No form of expulsion can ever be accepted. Imagine if we Germans tried to pretend our past had not happened."

**'They had all the rights of a minority and they chose the Nazis in 1938, when everybody knew about the persecution of the Jews.'**

Czech Republic as the only nation in Europe with which Germany has still to formally settle outstanding issues, such as compensation for German persecution, arising from World War II. In the eyes of its critics at home, this challenges Chancellor Helmut Kohl to put statesmanship before domestic politics to seize what Anje Vollmer, a member of the opposition Green party, called "an opportunity to ensure that Germany

## BRIEFLY EUROPE

### Slow Going in Italy

ROME (AP) — Prime Minister-designate Antonio Maccanico acknowledged Sunday that Italy's feuding parties were a long way from agreeing on a new government, but he said he was "moderately optimistic" he could bring them together.

The talks are bogged down over proposed reforms to Italy's political structure and have not even reached the stage of discussing cabinet appointments — the main goal.

The conservative bloc, led by the former prime minister Silvio Berlusconi, wants a pledge that a new government under Mr. Maccanico will press for a French-style system of a popularly elected president with wide powers.

### Women in Work Force

BRUSSELS — Three out of five working women in Europe take home at least half of their family's income, according to a survey by the European Women's Lobby.

The survey, for the Whirlpool Foundation, interviewed 6,781 women and men in Britain, France, Germany, Italy and Spain.

It said that 6 out of 10 women chose to work for money, but that 48 percent would still work if money was not an issue.

"Assumptions that women work for just extra cash, or that having a family means giving up a career just don't hold for today's women in Europe," a representative for the foundation, Francesca Rennis, said at a conference in Brussels.

The women's lobby said it was concerned that the EU had backtracked on equal opportunities since a UN conference on women was held in Beijing in September. (Reuters)

### González in Trouble

MADRID — With a general election less than a month away, Prime Minister Felipe González is in bad shape, the latest opinion polls showed Sunday.

A Demoscopia poll, published in the daily newspaper El País, puts José María Aznar's conservative Popular Party ahead with 41.7

percent of the vote — an increase of 1.2 percent over a similar poll last month.

It put Mr. González's Workers' Socialist Party behind with 32.6 percent, and the communist Izquierda Unida with 12.8 percent.

The survey indicated that 83 percent of those polled said they would vote in the March 3 general election.

A Sigma poll in El Mundo, an anti-government newspaper, showed the Popular Party beating the Socialists by 41.8 percent to 31.5 percent. (AFP)

### Miner Killed in Ukraine

KIEV — One miner died and three were trapped by a fire in Ukraine's Donbas coalfield, where tens of thousands of miners are on strike for back pay and an increase in government subsidies.

The fire broke out Saturday night on a conveyor 800 meters (2,500 feet) below ground at a colliery near the mining center of Donetsk.

Sixteen miners left safely. One died and rescuers trying to get to three others were

driven back by the heat. The fire was still burning Sunday afternoon.

Accidents are a monthly occurrence in the loss-making coalfield, in which many pits date from the mid-19th century.

A total of 218 miners were killed last year and statistics indicate that a million tons of coal cost 4.72 human lives on average — compared with one life in 1989 at the close of the Soviet era. (Reuters)

## Calendar

European Union schedule for Monday:

STRASBOURG: The European Parliament meets, until Feb. 16.

STRASBOURG: The commissioner for regional policy, Monika Wulf-Mathies, meets the leader of the French Socialist Party, Lionel Jospin. Sources: Agence Europe, AFP

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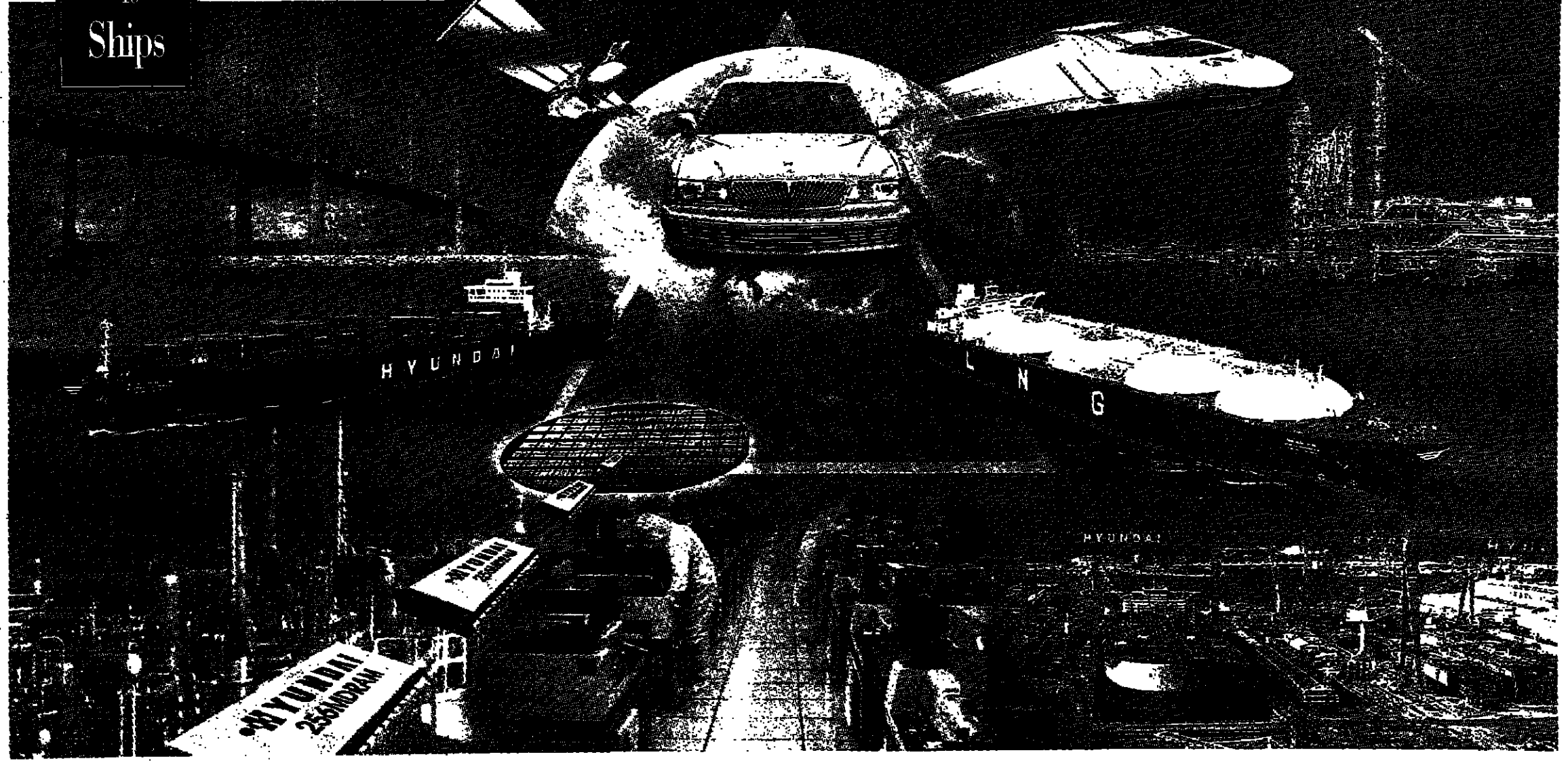
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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Peace or Bombs

A terror bombing in London on Friday evidently signaled the end of the Irish Republican Army's cease-fire, announced on Aug. 31, 1994. The bombing, which killed two persons, injured more than 100 and rocked the eastern dock area of the city, gives violent pause to what has been a fitful but hopeful effort to bring peace to Northern Ireland. There is no justification for such a wanton attack against civilians. All parties to the Irish conflict must rededicate themselves to finding a peaceful resolution of this long and brutish conflict.

If the IRA as a whole is responsible for the bombing, as it Saturday claimed to be, its leaders have made a terrible mistake by returning to violence. They cannot gain more through terror than they can through the patient pursuit of peace. If anything, a new campaign of terror will only set back their cause and wound their people.

If the bombing was the work of a faction within the IRA, the commanders of the overall organization must persuade their colleagues to hold their fire. Gerry Adams, head of Sinn Féin, the political wing of the IRA, has pushed his friends toward peace.

It will be all the harder for him to keep pressing now, but, having seen the potential for reconciliation in his homeland, he said on Saturday that he would do so. The Irish government in Dublin should help him.

Prime Minister John Major should reconsider his approach to arranging all-party peace talks. He has been playing a dangerous game of brinkmanship with the paramilitary groups, gambling that

they would not return to violence and insisting unrealistically that the IRA hand over some of its weapons before such talks could begin. He allowed the cease-fire to continue for more than 17 months with no further progress toward the talks. He seemed not to understand that Mr. Adams offered a hope for peace, and needed to be able to show his followers some concrete advantage in putting down their guns.

An international commission led by former U.S. Senator George Mitchell set out recommendations for proceeding with talks while addressing the issue of disarming the paramilitaries, and recommended that Mr. Major drop the insistence that weapons be handed over. Mr. Major reacted by saying that he would do so only if the IRA met another precondition: elections to select participants in the talks. Mr. Mitchell warned that some elements in the IRA might lose patience. He seems to have been right.

Mr. Major's majority in Parliament is slimmer than ever. He will probably be forced to call elections by this summer, and he is being hounded by a revitalized opposition under the leadership of Labor's Tony Blair. He seems to believe that any sign of weakness on the Northern Ireland issue could cost him vital votes in Parliament.

The London bombing should be a warning to Mr. Major. Mr. Adams and the others involved in this conflict that a failure to achieve peace will bring a new round of senseless violence that harms all, whether Catholic or Protestant, Irish or British.

—THE NEW YORK TIMES.

## Get War Criminals

In a landscape of almost daily challenges met and crises overcome, the tensions now building in Bosnia over war crimes qualify as an authentic moment of truth for international efforts to establish a peace. The NATO-led peacekeeping mission has had major success in keeping a general cease-fire, separating hostile forces and arranging exchanges of territory. Now the question is whether it will assist in facilitating war crimes trials — detaining suspects, protecting investigators, preserving evidence in the killing fields. The Bosnian government is forcing the issue by arresting Bosnian Serb suspects. The Bosnian Serb leadership responds by challenging the writ of the international peace force.

There are good reasons why NATO wants to bask in the military achievements of peacekeeping and avoid the grimmer tasks involved in reinforcing the peace accord's civilian side. It does not want to suffer higher costs or to chip away at its popular support. But the question of the war crimes trials is not secondary or a fill. To start establishing the rule of law and respect for human rights is a primary requirement of any settlement that means to be more than a Band-Aid. It is bad enough that the political leaders most responsible for the war in the first place are still in office;

theoretically at least they are accountable to their electorates. It would be a travesty for known war criminals not to be subjected to the judicial review written into the Dayton agreement.

On all sides there are guilty men whose crimes must be addressed. Undeniably, the greatest killings were done by Bosnian Serbs, who drowned in others' blood the claim they might once have made to be in part others' victims. Their situation now is complicated by the fact that the criminal taint extends not only to their upper military ranks but to the highest political level. This makes it harder but no less essential to move into a judicial process.

Like the Bosnian Serbs, the Bosnian Croats, who committed heinous offenses against Serbs, would prefer to administer justice to their own. But that would not be taken seriously, and it would not quench the thirst for revenge. Withholding the lifting of sanctions, the United States is pressing Serbia's Slobodan Milosevic to use his influence to deliver up accused killers. NATO should not be, as some of its elements are, dismissing the pursuit of justice as a "moral crusade" and a "preemptive" one at that. The alliance has its central part to play in stiffening these legitimate and necessary demands.

—THE WASHINGTON POST.

## Make Lagos Listen

Three months ago, the writer and environmentalist Ken Saro-Wiwa and eight other members of Nigeria's Ogoni people were summarily executed after a rigged trial. In response, the United States recalled its ambassador and the Commonwealth voted to suspend Nigeria's membership. But the ruling military clique in Lagos assumed that as time passed the hangings would be forgotten, as would the failure of Royal Dutch/Shell to use its considerable influence in Nigeria to prevent the executions. Shell accounts for 90 percent of Nigeria's oil exports.

This cynical calculation could prove correct if the Clinton administration does not step up the pace of its review of Nigeria policy. There are plenty of ideas on the table: an embargo on the export of American oil-drilling equipment and spare parts, freezing assets held in the United States by the Lagos junta, cutting off air links to Nigeria, blocking the financing of a \$4-billion natural gas project, or spurring a disinvestment campaign. Some of these sanctions might be evaded, and others might injure unrelated American business interests, but some reasonable combination of steps is required.

Making every allowance for the complex issues involved, the White House has been slow to respond. So let it be said again. The case of Ken Saro-Wiwa cruelly symbolizes much that

has gone wrong in Africa's most populous state. Having repeatedly promised free elections and a return to civilian rule, Nigeria's generals voided a presidential vote, jailed the front-runner and used kangaroo courts to stifle dissent and hang troublemakers like Mr. Saro-Wiwa.

America has an investment in Nigeria and an obligation to exercise its international leadership to pressure Lagos to respect human rights and the rule of law. Half of Nigeria's oil winds up in the U.S. market, and profits from those exports help keep the junta afloat.

Shell's case has not been improved by labored claims that it did what it could, quietly, to save the Ogoni victims, and that in any case it does not want to meddle in Nigeria's politics. It is hard to believe that Shell, the world's largest oil company, keeps so fastidious a distance on Nigeria's environmental rules and tax laws.

What is needed now is a presidential statement specifying realistic sanctions tied to human rights conditions plain enough for the Lagos junta to understand. It was a welcome sign in January that the junta postponed the capital trial of 19 more Ogoni dissidents. All the more reason for Bill Clinton to prove that Americans have not forgotten the executions or Shell's continuation of business as usual in Nigeria.

—THE NEW YORK TIMES.

## It's Time for Some Disengagement With China

By Jim Hoagland

WASHINGTON — War between China and Taiwan is unthinkable today. It is as unthinkable as an Iraqi invasion of Kuwait was in July 1990, as unthinkable as China entering the Korean War against the United States was in November 1950.

That of course is the point: The Clinton administration must now think the unthinkable. It must move with an energy and determination it has not previously shown to prevent a war that could surprise the world by happening.

Every rational scenario shows that Beijing is bluffing. The experts assure us that this belligerent behavior is designed to send Taiwan's government away from moves toward independence and to influence the island's March presidential election.

Miscalculation and hubris can sweep away those rational scenarios in the blink of an eye. In this decade, few governments have shown as great a propensity to miscalculate and misunderstand each other as Beijing and Washington. This is not made easier by the crisis atmosphere that China has manufactured to intimidate Taiwan and bully the Clinton administration into yet more concessions on trade, human rights and technology sales.

The Clinton administration now confronts the consequences of clinging to a failed China policy that it feels it cannot abandon. The political, bureaucratic and economic investments in the policy rule out any acknowledgement of failure and a change of direction.

The same bureaucratic reflex that kept secret arms shipments flowing to Iran's "moderates" under Ronald Reagan and guaranteed agricultural credits to Saddam Hussein to make him more reasonable now drives Bill Clinton's policy toward China's Communist government.

Mr. Clinton's "comprehensive engagement" policy has not given the rational reformers that Washington presumes to be lurking in the government enough ammunition to enable them to prevail and moderate Chinese behavior. The China scholar Orville Schell puts it succinctly: "The truth is that China is not playing to solve problems but to win" in a long-term confrontation with the West.

The U.S. concessions that have been justified in the name of engagement have not purchased moderation. At best

they have bought time. But time has run out, as Beijing escalates its aggressive behavior and its buying of sophisticated Russian warplanes.

The administration's approach has convinced Beijing that everything else in the relationship — human rights, Hong Kong's future, even regional security — comes second to economic relations and trade. That may not be true. The point is that Beijing now believes it and acts upon it.

Mr. Clinton needs to remove the leverage he has given the Chinese. He should instruct his aides to de-emphasize the importance of China to America's economic future in their public statements. He should order them to drop the engagement policy's phony argument that a strong trade relationship is America's best chance to moderate Chinese political behavior and bring democracy to China.

What the administration needs to pursue now is selective disengagement, not comprehensive engagement.

Left to their own devices, and without the politically damaging boost from the Secretary of Commerce Ron Brown and his aides have exhibited, American businessmen will make pragmatic decisions about trade. They

should be left to do that on their own.

Some in Congress want to revoke the most-favored-nation trading status that Mr. Clinton at first opposed and then granted. But another abrupt reversal on trade will not help bring clarity to a relationship that urgently needs it. Revoking MFN again would only deepen the Chinese view that American values are exclusively bound up in and expressed only by economic action.

Mr. Clinton can show that this is not the case by pledging unambiguous U.S. military support for Taiwan. He must forcefully make the point that relations between Taiwan and the United States cannot be held hostage by Beijing.

He must renounce the friendly meetings and communications he has had with a Chinese leadership that repays him by threatening war against Taiwan, an American friend which borders on being an American protectorate.

It may be beyond America's power to stop China from miscalculating where the brink lies. But it is within America's power to dispel the current ambiguity about the U.S. commitment to Taiwan and U.S. political values. That is the best way to prevent the unthinkable from becoming reality.

The Washington Post

## Republicans Have No Foreign Policy, but Clinton Has a List

By Thomas L. Friedman

WASHINGTON — Watching the primary campaign reminds me of something I have felt for some time: The Republicans have no foreign policy.

In the first two years of the Clinton administration, life was easy for Republican foreign policy mavens and presidential candidates. All they had to say were three little words — "Clinton foreign policy" — and everybody laughed.

But lately, Bill Clinton, in his own zigzagging style, has had enough successes — in Bosnia, North Korea, Haiti, Mexico and the Middle East — that the Republicans can no longer get away with three little words, or the claim that only they are competent in foreign policy.

But now that the Republicans need to posit a coherent alternative vision, they have none. It is obvious that the whole framework for Republican foreign

policy — the Cold War — has collapsed, and that the Republican candidates have no new vision to unite them.

So they have splintered. There is the Dole-Lugar-Forbes school, which basically endorses the same internationalist-occasional-use-of-force foreign policy that Mr. Clinton is implementing. There is the Jesse Helms-Pat Buchanan school, which advocates a blend of isolationism and nostalgia for the Cold War.

And there is the Phil Gramm-freshmen Republican school, which seems interested only in cutting foreign aid and every budget except the Pentagon's. This view is not just America's first, but America's only.

William Kristol, editor of The Weekly Standard, the popular new conservative journal, remarked to me that on domestic

policy the Republicans have continued the Reagan revolution to its logical conclusion, with the Gingrich revolution. But on foreign policy they have not extended the Reagan revolution at all. This has real implications for Republicans, Mr. Kristol argued, "because Reagan did not just stand for limiting government and cutting taxes. He also stood for patriotism, strength abroad and using American power overseas in the pursuit of freedom for captive nations."

In that sense, Reaganism had a certain largeness and generosity of spirit. We're cutting our welfare checks, Ronald Reagan could always say, but at least we're using the money to liberate Eastern Europe.

Without a foreign policy component, that sense of large-

ness is missing from Republicanism today. The message that comes across has a narrow, mean tinge: Yes, we're cutting welfare and Medicaid, but don't worry, because we're also cutting aid to Africa, India and Eastern Europe.

For many Republicans, their domestic policy is their foreign policy. Shrink the budget, shrink foreign aid, shrink the State Department, shrink America's role in the world.

"What the Republicans need is a neo-Reaganite foreign policy that would be more assertive, more nationalistic, more focused on the big, traditional threats," said Mr. Kristol. "I see glimmers of it around, but it has not been coherently developed."

While the Clinton foreign policy has clearly improved, it would be hard to describe it as having a coherent overarching

theme. It still seems driven often by television images. Mr. Clinton has gone from an ad hoc series of failures to an ad hoc series of successes, but because he has never set down an overall framework of priorities, it is never quite clear what is important. For example, Secretary of State Warren Christopher has been to Syria 17 times and to China once.

In many ways, Mr. Clinton and the Republicans have converged. Neither has a vision, and so both insist that U.S. foreign policy today is about "leadership." Mr. Clinton defines leadership as all the ad hoc things he has done, and the Republicans define it as all the ad hoc things they would do.

Bosnia, China or Russia could sour at any time, and with it the view of the Clinton foreign policy.

The New York Times.

## The South Slavs Have an Opportunity, to Use or to Waste

By William Pfaff

PARIS — NATO's intervention in Bosnia could turn into a version of the UN intervention of 1991-1995. The formerly warring parties already are trying to manipulate NATO's intervention force.

Each Yugoslav community wants to make the international intervention work to its advantage. And because the international authorities are mandated to find compromises and prevent violence, they invite intimidation and blackmail.

Events in Sarajevo and Mostar in recent days resemble the old pattern. The Serbs of Sarajevo have boycotted the intervention force and threatened to block the Bosnian government from resuming control of Serbian-populated Sarajevo

suburbs (as stipulated in the Dayton agreements). They want the release of two Serbian generals suspected of war crimes. Their forces meanwhile harass NATO patrols.

The Croats of Mostar attacked the European Union headquarters there last Wednesday, denouncing the EU plan for reunifying the Croatian and Muslim parts of Mostar.

Intimidation worked in the past with the United Nations and its protection force because there was neither will nor authority to impose solutions. The NATO force is there to enforce agreements signed by all parties. It is going to be tested, and how it reacts will be crucial.

It could also be divisive. In the past, the principal European contributors of troops have usually chosen negotiation and accommodation when the factions made trouble. We shall see what happens now.

The larger risk in this is that the NATO force's troubles with the factions and their attempt to manipulate it will preclude serious effort to get a settlement among the communities. This effort has to come from the people of the former Yugoslavia. If there is to be peace in the future, they will have to make it. The international community cannot do it for them.

At the Davos world economic conference last week, speak-

ing to a session on Bosnia's future, I remarked that the South Slav peoples (the "Yugo" Slavs) are themselves responsible for the situation.

They agitated to have their own united country from the middle of the 19th century, and after World War I convinced the Allies to give it to them. They then struggled against one another inside that nation, split up and fought one another during the World War II, but then chose to put Yugoslavia back together in 1945. Now they have again destroyed it. I said that what will happen next is equally their responsibility.

That drew an angry reply from Haris Silajdzic, Bosnia's prime minister until a few days ago and presumably a future candidate for its presidency. He said he certainly had not destroyed his country. The destruction was the work of certain specified South Slavs, not of the South Slav peoples as such.

He is right, of course. But it also is true that a society has to assume its history, even those members of the society who have struggled to give it a different history.

There may never again be a Yugoslavia. From now on there may only be separate Slovenian, Croatian, Bosnian (or Croatian-Bosnian) and Serbian (or Serbo-Montenegrin) nations.

The number of possible combinations demonstrates why the idea of Yugoslavia was first put forward. It could be tried again. There could be another attempt at federation. There could be an attempt to establish a nonethnic democratic nation of the kind

that Mr. Silajdzic defends in Bosnia (against substantial opposition). This will have to be decided by the South Slav peoples. They may also decide that the Dayton agreements are merely an interlude in a war that they will resume.

A solution cannot be provided for them by NATO or the European Union. That is why the intervention must have a timetable. It is true that the American-imposed one-year deadline is connected to the U.S. political calendar, and to (justified) American fears about becoming mired in Yugoslav politics and internal conflict.

This deadline nonetheless informs the Yugoslavs that they confront a deadline, too. They have less than a year to settle how they are going to live with one another. Without a deadline, the parties to this conflict will never be serious about solving it. They will concentrate on manipulating the international community, in order to make political gains that they failed to get from war.

Dayton has provided an interlude for reflection, negotiations and settlement. It is also an interlude for rearmament — if that is what the Yugoslav parties want.

If the Yugoslavs choose not to make constructive use of this interlude, that is a choice, too. I would argue that the international community should, in that case, leave the South Slav peoples to take back into their own hands their fortunes, or their tragedy.

International Herald Tribune.  
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## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1896: Jingos Criticized

PARIS — [The Herald says in an Editorial:] Mr. James Smith, United States Senator for New Jersey, told some wholesome truths to his colleagues, which it would be well for them to heed.

In his speech, he attacked the jingo Senators for their attempt to foist upon the country a new, fangled Monroe doctrine, and told them plainly that the best thing they could do was to go home. He declared that the people were disgusted with Congress and with the Senate in particular, and that the mere fact of their being in session was a menace to business prosperity.

## 1921: Sinn Fein Blaze

DUBLIN — A British aeroplane was destroyed by Sinn Feiners to-day (Feb. 11). The observer was made prisoner and taken away, while the pilot, who had made a forced landing near Kil-

finane, County Limerick, was attempting to telephone Dublin for relief. During the pilot's absence, rebels overpowered the observer and set fire to the machine, entirely destroying it.

## 1946: Homma Verdict

MANILA — Death before firing squad was decreed for Lt. General Masaharu Homma, Japanese conqueror of the Philippines, who was convicted of responsibility for the infamous march of Bataan and other atrocities. An American military tribunal in Manila imposed sentence after a five-week trial in which glib details of merciless treatment of prisoners were related by survivors of the death march. Defense counsel pictured Homma as a "man devoted to the cause of peace." Before hearing the verdict, the suave, English-speaking general thanked the court for "the courteous way" he had been treated.

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## INTERNATIONAL

# Quest for Ulster Peace: Once Again a Stumble

## Mitchell Had Warned of Danger

By James F. Clarity  
New York Times Service

DUBLIN — A week ago, while the seekers of an Irish peace still seemed to be inching fitfully toward compromise, George J. Mitchell warned British television viewers that the quest for peace was in danger of unraveling.

Mr. Mitchell, a former U.S. senator who led a commission charged with breaking the Irish deadlock, sensed that the more militant Irish nationalists were losing patience with what they perceived as the intransigence of Prime Minister John Major of Britain.

"I think there is a danger of a fracture within that organization," he told the BBC.

### NEWS ANALYSIS

"It seems clear not all on the republican side favor the cease-fire, and the potential for some elements to take direct and violent action, I think, does remain."

The political leader of the Irish Republican Army, Gerry Adams, blamed the breakdown of the cease-fire on Mr. Major, saying that "an unprecedented opportunity for peace has foundered on the refusal of the British government and the unionist leaders to enter into dialogue on substantive negotiation."

The latest round of the Irish troubles began in optimism on Jan. 24, when a three-man commission led by Mr. Mitchell recommended that Mr. Major's government relax its opposition to entering direct talks with Sinn Féin.

Britain had refused direct negotiations until the IRA disarmed, but the commission proposed that talks begin while an incremental disarming was under way. To many, it seemed to be just the political cover Mr. Major needed to make a concession that was sure to be unpopular with many of his followers.

But Mr. Major, who desperately needs the

Ulster unionists to keep his diminishing majority in Parliament, countered with a new condition: Britain would enter talks only after elections to an assembly in Northern Ireland that would serve as a negotiating forum in which elected representatives of Sinn Féin could take part. Sinn Féin refused, and a new tone of bitterness seeped into the public discourse.

If the attack on Friday night caught officials off guard, it was largely because the Irish nationalists had not been talking of resuming violence, Mr. Adams cautioned by the White House to refrain from talk of violence, had said nothing to suggest the 17-month cease-fire was in danger.

Whether the attack was a surprise to him, or a tactic forced upon him by his own hardliners, or even a step he endorsed in hopes of breaking Mr. Major's resolve, was a topic of fervid speculation over the weekend.

Some officials suggested that many IRA supporters felt that the IRA campaign of violence had persuaded the British to begin negotiating a peace. In effect, they said, the IRA had bombed its way to the peace table and could do so again.

As soon as the smoke clears, there is certain to be a frantic effort to revive the fitful process, but no one thought over the weekend that it would be easy.

Those who reject an Irish rapprochement seized on the bombing as evidence that Mr. Adams's talk of moderation and compromise was a ruse or that at least he does not control the nationalists for whom he speaks.

John Bruton, the Irish prime minister, said the attack was "an enormous setback" for the peace effort. "It will make it much harder to put people around the table," he said.

For the residents of Northern Ireland, the Friday night blast meant a return to life under the vise of tight security and high anxiety.



Mr. Holbrooke, arriving Sunday in Sarajevo, flanked by the U.S. envoy to Bosnia, John Menzies (dark glasses), and General Wesley Clark.

## BOSNIA: Holbrooke Upbeat After Day of Talks

Continued from Page 1

ing to talk again with Bosnian officials.

Mr. Holbrooke's visit came the day after the Bosnian government freed four of at least eight Serbs it detained in recent weeks, although it kept the two most senior officers, General Djordje Djukic and Colonel Aleksa Krsmanovic.

Assistant Secretary of State John Shattuck, who accompanied Mr. Holbrooke to the Bosnian capital, visited the prisoners, who were described as "in good health."

The Sarajevo government arrested the officers on suspicion of war crimes, although

they have yet to be indicted by the International War Crimes Tribunal. Since their arrest, tribunal investigators have interviewed both men and are assessing evidence.

General Mladic, who has been indicted by the tribunal, remains at large. The issue over who has the right — or responsibility — to capture persons believed to have committed atrocities in the four-year-old Balkan conflict remains one of the most troubling moral and practical issues in the new peace.

Within an hour of Mr. Holbrooke's arrival, spokesmen for the NATO peace implementation force again emphasized that the multinational force would not "hunt down war criminals."

The Washington Post reported Saturday that the Bosnian Serb leader Radovan Karadzic, also charged by the tribunal, passed unimpeded through four NATO checkpoints last week.

An alliance spokesman said Sunday that the checkpoints were being questioned about the report but that soldiers at the checkpoints were not provided a list of names or photos of any of the indicted people they might encounter.

"The overriding consideration is to do the military tasks first," he said.

## U.S. Keeps Distance On Holbrooke Views

Reuters

HELSINKI — The State Department distanced itself over the weekend from recent criticism of European leadership by the chief U.S. negotiator on Bosnia, Richard C. Holbrooke.

"Our view is that the Europeans are playing a major role in solving Europe's problems," said the department's spokesman, Nicholas Burns, citing efforts by the European Union's peace envoy, Carl Bildt, in helping to implement civilian aspects of the Bosnia peace deal.

"Our official position is we have great respect for the European Union and for all of our European allies," Mr. Burns added. He did not criticize Mr. Holbrooke, however.

Mr. Burns was asked to comment on an interview in Thursday's editions of

The Washington Post in which Mr. Holbrooke said American efforts to defuse the latest confrontation between Greece and Turkey had raised questions about Europe's ability to solve problems in its backyard.

"While President Clinton was on the phone with Athens and Ankara, the department's spokesman, Nicholas Burns, said Mr. Holbrooke, the assistant secretary of state for European and Canadian affairs.

"You have to wonder why Europe does not seem capable of taking decisive action in its own theater," Mr. Holbrooke was quoted as saying.

Mr. Holbrooke was instrumental in persuading the two NATO allies to back away from their military confrontation over an islet in the Aegean Sea.

## Pope Condemns 'Idols of Today'

### He Makes Pointed Reference to Corruption in Venezuela

Reuters

CARACAS — A crowd of up to a million turned out on Sunday for Pope John Paul II's last Mass of his Latin American trip and heard him denounce the corruption of Venezuelan society.

The exuberant crowd, by far the largest of the Pope's four-nation tour, filled the runway and fields of La Carlota airport in suburban Caracas.

A slow-moving "Popemobile," bobbing through the huge crowd, took nearly a half hour to make its way to a high, white altar platform, from where the Pope said Mass and delivered his sermon.

John Paul urged the largely Catholic population of Venezuela to reject what he called the "idols of today."

He said these included "materialism and selfishness and their consequences, sensualism, hedonism, violence and corruption."

The Pope was leaving Venezuela for Rome on Sunday night after addressing a youth rally in the capital. He began his 69th foreign trip by visiting Guatemala, Nicaragua and El Salvador.

Public figures in Venezuela ranging from politicians to members of the judiciary have been accused of corruption.

President Rafael Caldera has made the fight against corruption one of his objectives since assuming power two years ago. But a recent poll showed that half of all Venezuelans believed that Mr. Caldera had done "nothing" about a problem seen in most Latin American countries as hampering economic growth.

Asked about the Pope's words on corruption, the Vatican spokesman, Joaquín Navarro-Valls, said that "people here know exactly what he is talking about." He said that the Pope's words would be fuel for local bishops' efforts to speak out against corruption in the future.

During his trip, the Pope has sought to both lift the spirits of Venezuelans and encourage them to spare no effort in the fight against poverty and corruption and for social justice.

He called again Sunday for the promotion of justice, solidarity, brotherhood and truth as the best remedy for Venezuela's problems.

No longer the proud, oil-rich country the Pope saw on his first visit in 1985, Venezuela is trying to emerge from three years of recession, and its 21 million inhabitants have lost faith in a democracy rocked by two army coup attempts in 1992.

## Peres Sets Elections In Israel

The Associated Press

JERUSALEM — Prime Minister Shimon Peres, riding a wave of popular support, announced Sunday that he would dissolve the Knesset and call early elections.

Mr. Peres said that the vote, initially planned for October, would be held on May 21 or May 24, but that a final date would be announced after consultations with Benjamin Netanyahu, the leader of the opposition party Likud.

Mr. Peres is hoping to expand the narrow advantage he now holds in Parliament — where his majority of 63 out of 120 is endangered by a coalition of opponents of peace talks with Syria.

Wider support, he hopes, will enable him to conclude the peace process with the Palestinians and Syria.

"I have decided to move up the elections and hold them at the earliest date permissible by law," Mr. Peres said at a news conference. "I am convinced I must renew my mandate and the government's."

If re-elected, he said, "we will be able to end the state of war in the entire region."

The announcement ended speculation that began after Prime Minister Yitzhak Rabin was assassinated three months ago by a far right extremist opposed to his peace policies. Mr. Peres said during the news conference that he did not call a snap election after the killing because he first had to ensure that the government would continue to run smoothly.

He called on the opposition to conduct a "restrained" campaign that would prove to the world that Israel "has returned to itself" after the shock of the assassination.

After lobbying Parliament, Mr. Peres apparently felt assured that he had the support necessary for dissolving the legislature elected in 1992.

Mr. Netanyahu welcomed the move. "The time has come to give the Israeli public a choice," he said.

## CLOUT: Money Talks for U.S.

Continued from Page 1

terests hostage to points of principle.

The United States has been agonizing over whether to continue to provide financial support to Russia during a crucial election campaign, even though President Boris N. Yeltsin has parted company with many prominent reformers.

On balance, however, U.S. officials still prefer Mr. Yeltsin to his most likely replacement, among them the Communist party leader, Gennadi Zyuganov.

This explains why Washington has endorsed a \$9 billion IMF loan to Russia, despite signs that the Yeltsin government has embarked on an economically damaging spending spree before the presidential election in June. The U.S. calculation is that Mr. Yeltsin will revert to a sound monetary policy after the election. The obvious risk is that the Clinton administration will lose both Mr. Yeltsin and the economic reforms.

The China problem is even more acute. Mr. Christopher was preoccupied last week by a question of whether to recommend trade sanctions against Beijing for supplying nuclear technology to Pakistan.

If U.S. officials lived up to their own talk about nuclear nonproliferation, there would be no doubt about the outcome. But the administration is under pressure from American businesses not to jeopardize commercial ties with a market of 1.1 billion people.

At the bottom of the economic totem pole is the new

Palestinian entity in the Gaza Strip and the West Bank headed by Yasser Arafat, which depends on the United States and other Western governments for more than 60 percent of its budget. He also needs American political support in persuading Israel to grant entry visas to Palestinian workers, who would otherwise swell the ranks of the unemployed and discontented. The Palestinian entity could not survive economically without the remittances of these workers.

Offers of economic reconstruction after nearly four years of war have also proved effective in cajoling former Yugoslav republics into signing the Dayton accords. Trade sanctions were lifted against the Serb-led Republic of Yugoslavia after the peace agreement was signed last November, but the United States is still preventing Belgrade from joining international financial institutions.

The State Department insists that the so-called outer wall of sanctions will remain in place until the Serbs hand over suspected war criminals to the International Court of Justice at The Hague.

Similar tactics have been used against the Croats and the Muslims. Before traveling to Sarajevo, Mr. Christopher threatened to hold up a training program for the Bosnian Army unless the Muslims released Serbian prisoners and expelled foreign fighters, as agreed at Dayton. He told Croatia's Franjo Tudjman that his country's economic ties with the West could be in jeopardy if he did not cooperate with the war crimes tribunal.

## IOWA: Fight for 2d Turns Nasty

Continued from Page 1

crossed the state trying to rally supporters.

For the second day in a row Saturday, Mr. Forbes asserted that Mr. Dole was behind an anonymous, telephone smear campaign aimed at destroying his campaign. Dole officials once again rejected the accusation, saying that Mr. Forbes was panicking in the face of falling poll numbers.

Mr. Dole's rival campaigns virtually conceded the caucuses to the man who won here in 1988. But the Senate majority leader was doing everything he could in the final weekend to swell his vote to disprove suggestions that his candidacy has done little to excite Republican voters and that he would be a weak challenger against President Bill Clinton in the fall.

The Iowa precinct caucuses, the first step here in selecting the delegates who will go to the Republican convention in August in San Diego, will help to answer a series of questions about the nomination contest beyond whether Mr. Dole is a strong candidate or a front-runner ripe for an upset.

Has Mr. Forbes, with his multimillion-dollar ad campaign, fundamentally changed the nature of a caucus system

that traditionally has favored grass-roots organizing?

Who will emerge as the principal challengers to Mr. Dole, with Mr. Buchanan and Mr. Gramm bantling to become the chief conservative rival, and Mr. Forbes and Mr. Alexander wrestling over the "outsider" mantle?

Finally, has the volume of negative advertising turned off voters and driven up levels of cynicism?

But there's another possibility: With so many candidates bunched together just behind Mr. Dole, the Iowa results may do little more than send the pack on to New Hampshire to restart the battle before the Feb. 20 primary there.

The changing fortunes of the candidates was underscored Sunday by a Des Moines Register poll that showed Mr. Dole leading the field. But it also measured how voters saw the candidates, with a rapid increase in unfavorable attitudes toward Mr. Forbes and a rise in positive attitudes toward Mr. Alexander.

Internal polling from a rival campaign also suggested that Mr. Alexander was well positioned to pick up undecided voters. Many of them are women, and he is more popular among female voters than some of the other candidates.

## KOREA: Why Washington Sees Advantage in Helping the North

Continued from Page 1

refugees, war or other upheavals. "The big question is, 'Is this the beginning of the end for the North Korean regime?'"

Witnesses in North Korea say the food shortages are only part of the problem. Earlier this month, Trevor Page, director of the United Nations World Food Program's office in Pyongyang, visited the southwestern port of Haeju, near the demilitarized zone with South Korea, and found that schools had been closed for January because of a lack of heat and electricity.

"The kids are really freezing, in the province that is usually the most prosperous in North Korea," Mr. Page said in an interview. He added, "On four separate main street corners, there was also no traffic, only bicycles and ox carts."

But U.S. officials say the shortages are severe enough to cause malnutrition, particularly in remote areas.

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Even the optimistic U.S. scenarios for North Korea now have relatively short time frames.

"It's not likely to collapse right away, but it's very brittle, very fragile, and if I had to make a guess, I'd say they'd muddle along with the possibility of a collapse in two or three years," said a Harvard University professor, Ezra Vogel, who served until last summer as the U.S. intelligence community's senior analyst for Asia.

With North Korea exhibiting increasing desperation, Clinton administration officials have decided to start supplying small amounts of food.

The food is portrayed as humanitarian aid, but senior administration officials acknowledge that an upcoming \$2 million shipment of food may be the first step by the United States and its allies to use aid to coax Pyongyang out of its isolation.

The delivery might come after elections are held in April in South Korea, where food aid for Pyongyang is considered politically sensitive.

The South Korean president, Kim Young Sam, was humiliated last summer when he agreed to supply rice to Pyongyang and the ship providing it was seized on spying charges at a North Korean port.

"We're not saving them," said Stanley Roth of the U.S. Institute of Peace,

who just stepped down as director of Asian affairs for the National Security Council.

"We're trying to stave off an imminent collapse because this 'softer hard landing' is in our own interest," he said. "What people are talking about is to stretch it out, avoid starvation, avoid refugee flows."

Mr. Roth noted that Pentagon officials had become concerned that North Korea's growing desperation could prompt it to take military action now, before the economic plight made the army a "withering resource."

Despite the stakes, the decision to provide even small amounts of food aid has touched off debate about how it should be distributed and under what conditions.

Senator Sam Nunn, Democrat of Georgia, said last month that economic help should be conditioned on Pyongyang's willingness to reduce its armed forces and limit deployments along the demilitarized zone with South Korea.

Others say the United States should insist on having Americans hand out the food supplies — particularly to make sure they don't end up in military stockpiles. James R. Lilley, a former U.S. ambassador to South Korea, pointed to an American mission to the Soviet Union in the 1930s as a precedent for a donor's distributing food.

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## CAPITAL MARKETS ON MONDAY

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Feb. 9. Prices supplied by Teletours.

Rnk Name Cpn Maturity Price Yield

## Australian Dollar

225 Sweden 5 11/30/98 94.0508 5.3200

## Austrian Schilling

161 Austria 5 12/1/00 102.2000 5.5000

## Belgian Franc

162 Belgium 6 03/01/05 100.4500 4.4700

145 Belgium 10 02/07/96 99.7457 2.9000

224 Belgium 10 02/07/96 101.1900 3.9900

234 Belgium 8 12/24/12 107.1600 7.7700

## British Pound

143 National Grid 8 03/29/06 98.3750 8.1300

176 EE Plc 8 06/27/06 100.5000 8.6600

240 South Africa 9 02/06/04 98.1250 9.5500

245 Hanson Trust 10 04/18/06 108.1250 9.2500

## Canadian Dollar

197 Canada 8 12/01/05 111.6500 7.8400

## Danish Krone

4 Denmark 8 03/15/06 105.1300 7.6100

11 Denmark 9 11/15/00 111.4500 8.6000

18 Denmark 7 09/15/97 103.2600 6.7800

23 Denmark 7 11/15/99 105.3500 8.2300

24 Denmark 7 12/15/04 99.5500 7.0200

30 Denmark 8 05/15/02 106.4500 7.5200

37 Denmark 8 11/15/01 107.8000 7.2300

51 Denmark 7 11/02/02 87.3500 8.0100

85 Denmark 6 11/15/04 103.2000 5.2000

113 Denmark 6 12/10/99 101.8000 5.9900

134 Denmark T-bills zero 07/01/96 98.2221 3.8200

139 Denmark zero 04/01/96 99.2612 4.2000

144 Denmark 7 02/15/96 104.3500 7.1000

150 Denmark T-bills zero 10/01/96 97.4681 4.0300

## Deutsche Mark

1 Germany 6 01/05/06 99.4783 4.0200

2 Germany 6 01/05/06 99.4783 4.0200

3 Germany 5 08/22/00 103.9100 5.5300

4 Germany 6 02/05/98 104.3953 5.7500

5 Germany 8 01/21/02 112.6433 7.1000

7 Treuhänder 7 11/25/99 108.5900 6.4500

8 Germany 6 05/15/05 105.4833 5.5200

9 Germany 6 02/15/00 106.7000 6.0900

10 Germany 5 05/15/00 104.5367 5.4500

12 Germany 8 12/20/00 115.8460 7.6600

13 Germany 6 01/02/04 91.8686 4.9000

15 Treuhänder 7 01/25/03 107.8800 6.6000

16 Germany 8 10/20/00 116.0700 7.5000

17 Germany 8 08/01/98 116.2100 7.5000

19 Germany 8 09/20/01 115.8947 7.5000

20 Treuhänder 7 09/09/04 109.4000 6.8600

22 Germany 7 11/11/04 109.6733 6.8400

23 Germany 6 01/15/99 107.4400 6.3900

27 Treuhänder 6 09/11/03 106.0175 6.8800

28 Treuhänder 5 01/14/99 102.4167 4.8800

31 Treuhänder 6 07/09/02 104.4400 6.3400

32 Treuhänder 8 07/22/02 112.8467 7.0900

33 Germany 6 01/20/98 105.3225 6.1900

34 Treuhänder 6 03/04/04 101.7400 6.1900

35 Germany 6 02/05/98 104.3953 5.7500

36 Germany 8 02/20/01 114.4257 7.4300

40 Germany 7 01/13/00 108.4467 6.4500

41 Germany 6 12/20/00 106.7000 6.0900

42 Germany 8 05/21/01 114.3123 7.3300

44 Treuhänder 6 05/13/04 104.4825 6.4500

45 Treuhänder 6 07/01/99 105.5200 6.0200

47 Germany 7 12/20/01 105.5200 6.0200

48 Germany 8 03/20/97 105.5000 7.6200

49 Treuhänder 7 10/01/02 111.4200 6.9600

50 Germany 6 08/20/98 108.2500 6.5000

52 Germany 6 07/15/03 103.8540 6.2600

53 Germany 8 01/20/97 104.6700 8.0000

54 Germany 6 09/15/03 101.3333 5.9400

56 Germany 6 05/20/99 105.7700 6.0600

57 Treuhänder 7 12/02/02 109.2800 6.7000

58 Germany 7 12/22/97 105.9000 6.6100

59 Germany 6 07/01/96 99.1250 5.4000

60 Treuhänder 5 09/24/98 103.6500 5.4200

61 Delta 5 02/01/03 99.1250 5.4700

62 Germany 6 07/20/00 114.7660 7.6200

64 Germany 6 02/05/98 104.3953 5.7500

65 Germany 6 04/22/03 105.314 6.3900

66 Treuhänder 6 04/22/03 104.3000 6.2500

68 Germany 8 08/21/00 113.9567 7.4600

70 Germany 8 09/22/97 106.8500 7.4900

## Rnk Name Cpn Maturity Price Yield

71 Germany 9 01/22/01 114.5200 7.7200

72 Treuhänder 6 04/29/99 104.2100 5.3200

73 Treuhänder 6 11/15/03 100.5765 5.9600

74 Germany 8 07/21/97 106.6300 7.4400

75 Germany 6 05/20/97 103.6900 6.1500

76 Treuhänder 6 03/24/98 104.6000 5.8600

77 Sweden 5 02/08/01 98.9300 4.9200

78 Treuhänder 6 02/22/99 102.2500 5.2000

79 Treuhänder 6 06/25/98 104.8175 5.8400

80 Germany 6 01/15/04 104.8175 5.8400

81 Treuhänder 6 12/17/98 102.4400 4.8800

82 Germany 7 01/21/02 108.9425 6.6500

83 Treuhänder 7 10/20/97 106.3100 7.0500

84 Germany 8 02/24/99 107.3400 6.4000

85 Germany 5 11/20/97 102.4500 5.1000

86 Credit Local 5 12/04/00 99.4594 5.1700

116 Treuhänder 6 07/29/99 105.6100 5.2900

118 Austria 6 02/01/06 98.2300 6.1100

120 Germany 6 08/14/98 105.6100 6.0400

121 Germany 6 05/20/99 105.3850 5.8100

122 Germany 6 02/20/97 103.2200 5.3000

131 Germany 5 08/20/97 103.2900 5.5700

135 F&E 5 01/16/01 100.3732 5.2400

136 Germany 6 02/01/06 110.7800 7.0000

142 Finland 5 02/05/03 97.7500 5.6300

143 Finland 3 05/30/04 99.3200 5.6255

151 Germany 5 01/10/02 92.1200 7.0100

154 Germany 5 05/28/99 104.0900 5.5200

157 Germany 6 02/20/98 104.6800 5.9700

158 Hellenic 6 01/15/04 99.1300 6.5500

159 Germany 7 01/20/00 108.9333 6.6600

179 Argentina 10 02/04/03 100.4500 10.2000

193 Argentina 10 02/04/03 100.4500 10.2000

218 Germany 6 08/20/97 104.1500 6.1200

219 Germany 5 02/04/02 98.4417 4.5000

220 Sudvudfuit LB 6 01/15/04 92.1200 7.0100

222 Boy Verbank 6 01/20/97 102.0200 5.9700

233 Germany 6 05/22/00 114.70 7.6300

241 Austria 6 01/10/02 92.1200 7.0100

248 World Bank 7 04/12/05 105.6600 6.4700

## Dutch Guilder

29 Netherlands 6 07/15/98 105.0200 5.9500

38 Netherlands 6 01/15/04 99.1300 6.5500

43 Netherlands 6 01/15/04 99.1300 6.5500

46 Netherlands 7 04/15/05 100.3500 6.9800

91 Netherlands 6 01/15/04 99.1300 6.5500

96 Netherlands 9 03/01/00 115.7900 7.9900

109 Netherlands 9 02/01/04 106.3000 6.6800

112 North Bank NBC zero 03/25/02 102.1200 6.9500

115 Netherlands 6 07/15/98 105.0200 5.9500

122 Netherlands 7 01/15/99 109.0500 6.8800

123 Netherlands 6 01/15/04 99.1300 6.5500

125 Netherlands 7 01/15/03 107.4500 6.9700

129 Netherlands 7 03/01/05 111.6000 6.9400

140 Netherlands 6 04/15/03 104.4500 6.2200

146 Netherlands 6 02/15/99 106.5300 6.3400

147 Netherlands 8 03/15/01 114.5300 7.2400

153 Netherlands 8 09/15/01 114.5300 7.2400

154 Netherlands 8 02/15/07 113.20 7.1600

155 Netherlands 7 04/15/10 109.3500 6.8600

156 Netherlands 7 05/15/99 107.4200 6.5100

170 Netherlands zero 03/25/96 99.0616 7.4000

172 Netherlands 8 02/15/00 112.20 7.3500

203 Netherlands 8 06/15/02 114.3500 7.2100

211 Netherlands 8 09/15/07 115.3000 7.1600

226 Netherlands 8 06/01/06 117.20 7.2500

## ECU

80 France OAT 6 04/25/04 94.2900 6.2300

82 France B.T.A.N. 6 03/16/01 100.0300 6.0000

88 UK T-note 8 01/27/98 105.6250 5.7500

94 UK T-note 8 01/27/98 105.6250 5.7500

100 France OAT 7 04/25/05 103.7500 6.2300

104 France BTAN 7 03/16/97 103.1600 7.2400

133 France OAT 6 04/25/02 105.2033 6.7800

135 France BTAN 6 03/16/99 99.3800 5.0300

140 France OAT 6 04/25/02 105.2033 6.7800

146 France BTAN 7 03/16/98 104.6000 6.9700

183 France OAT 6 04/25/01 114.4500 8.7000

206 France OAT 10 02/26/01 116.5933 8.3900

212 Britain zero 04/11/96 98.6568 8.2100

217 Britain 9 02/21/01 112.94 8.9900

225 UK T-note 5 01/24/99 99.3750 5.0300

236 Italy 9 03/07/11 110.9 8.7900

246 France OAT 8 04/25/03 106.4283 7.3800

250 France OAT 8 03/15/02 116.4617 7.6900

## French Franc

92 France BTAN 7 10/12/00 104.8000 6.6000

148 France OAT 8 03/26/00 111.3900 7.4300

159 France OAT 6 10/25/02 84.1900 7.1300

180 France OAT 6 04/25/03 113.1000 7.5200

184 France B.T.A.N. 8 04/25/03 105.1500 5.3000

185 France OAT 8 11/25/02 113.3000 7.5000

## Rnk Name Cpn Maturity Price Yield

186 France OAT 7 04/25/05 107.8700 7.0000

187 France BTAN 7 08/12/97 103.8900 6.9900

215 France OAT 9 01/25/01 114.6400 8.1400

217 France BTAN 7 11/12/99 106.0100 6.4600

219 France OAT 4 04/25/04 94.7000 6.9300

244 France BTAN 4 04/12/99 99.2100 4.7900

247 France BTAN 7 04/12/00 106.7800 7.1200

## Italian Lira

2



**Richard Covington**  
*Special to the Herald Tribune*

**CD-ROM makers**  
say the Web is not  
hurting them yet.

**See MEDIA, Page 13**

**By Kevin Murphy**  
*International Herald Tribune*

At a time when Hong Kong consumer banking appears as cutthroat as ever and other Asian markets face heated competition between increasingly sophisticated local banks and long-established foreigners,

**See BANK. Page 13**

**Reuters**

Analysts said they expected the index to find support at 4,600 before the March 23 presidential elections. Resistance is seen at 5,000.

China put its 1995 trade surplus with the United States at \$8.6 billion, compared with a U.S. figure of \$35 billion.

China's overall trade surplus would plunge from \$16.69 billion in 1995 to between \$5.5 billion and \$6 billion this year. Growth in imports is expected to surge at least 25 percent, mainly because of promised cuts in import tariffs on about 4,000 items by more than 30 percent, he said.

**By Max Berley**  
*Special to the Herald Tribune*

With only three cabinets de philosophie currently in operation in France, the phenomenon remains fairly small. But profession-

Ms. Vegleris, a former university professor, said she got the idea of opening a philosophy practice in

change their way of communicating from a sort of institutional language, which is restrictive, to a more human form of communicating."

term activity," Ms. Vegeris said. "All I know is that people say they feel more creative after I've been around."



## Friday after Eleonhildes announ...

"The fear is that Inco will go over the top and acquire a controlling interest in the company, analysts said.

to 36.50 dollars on Friday, above dollar value of the Falconbridge company year ago, the stock traded at 3.63.

tion, employment, income, and public spending. Domestic and foreign del-

The deadline for submitting applications to the Competitive Commission is 11:59 p.m. on March 1, 2000. Applicants must pay an admission fee of \$100 and submit a letter of intent, a curriculum vitae, and a list of references.

Submitting bid proposals to the  
on - April 15 1996

Source: IAG Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana

Stocks in June fell 2,375 Canadian

sharply in 1996, there is could  
dramatic rise in the price offer

to obtain the data by using a bulletin board it would be

**Chairman of**

**the Competitive Commission**



[illegible]

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# Ford's Finance Unit Plans to Sell 20% of Shares

**Bloomberg Business News**  
WASHINGTON — One of Ford Motor Co.'s finance units is to sell as much as 19.8 percent of its shares to the public in a first-time stock offering.  
The stock sale, announced late Friday by Associates First Capital Corp., could be worth billions based on the unit's 1995 earnings of \$723 million, analysts said.  
Associates First said it would use proceeds from the stock sale to repay short-term debt.  
In its filing with the Securities and Exchange Commission to register the stock, the company did not list a share price. But Michael Braig, an analyst at A.G. Edwards Inc., said the sale could be worth between \$7 billion and \$13 billion.  
"The reason the company is not putting a value on it, and the reason that analysts won't put a value on it, is because the market always prices IPOs," Mr. Braig said.  
Within days before the stock is to begin trading, which generally occurs within a few months of the SEC registration, the company and underwriters will set a price based on their estimates of what investors are willing to pay.  
Ford will retain the 80 percent of the company that will not be sold to the public, said Mel Stephens, Ford's director of investor relations. He added that the automaker would also keep its principal auto-financing unit, Ford Motor Credit Co.  
Associates First, based in Irving, Texas, offers financing and leasing for heavy-duty trucks, truck fleets and construction equipment. The company also markets mortgages, credit cards and other nonautomotive loans.  
Associates First and other small Ford finance units contributed heavily to the carmaker's earnings last year when income from the auto division lagged because of new product launches, Mr. Stephens said.  
The finance units contributed \$2.1 billion of Ford's \$4.1 billion 1995 net income.  
Ford purchased Associates First from Paramount Communications Inc. in 1989, and Mr. Stephens said the finance

## Car Dealers Face Gimmicks: Mega-Showrooms and the Net

**Bloomberg Business News**  
LAS VEGAS — Ford Motor Co.'s chairman, Alex Trotman, said customers were disenchanted with the car-buying experience and were turning to nontraditional outlets such as mega used-car dealerships and Internet car brokers.  
New companies such as Driver's Mart, CarMax and AutoNation offer no-haggle showrooms with more than three times the number of cars than typical dealerships. The three companies have been the most talked-about topic at the National Automobile Dealers Association convention in Las Vegas, where Mr. Trotman spoke Saturday.  
Shoppers are also turning to their home computers to link up with brokers, who will find the car and negotiate the deal for a fee.  
International Business Machines Corp. and Chase Manhattan Bank said Saturday they would launch an online auto financing system that would help customers register their vehicles and apply for insurance.  
"Anyone who thinks that this is some sort of gimmick or passing phase isn't getting the message," Mr. Trotman said. "For you dealers, the key to survival is unbeatable customer satisfaction."

company had "grown tremendously" since then.  
Associates said proceeds from the sale would pay off short-term debt incurred when the company repaid a \$1.75 billion intercompany note to its sole stockholder Ford FSG Inc. Ford created FSG in January as a holding company for Associates

First and Ford Credit Europe PLC.  
Associates reported net receivables of \$39.7 billion last year, total assets of \$41.3 billion, stockholder equity of \$4.8 billion.

The stock sale follows Ford's announcement in October that it would sell part of Associates and might sell part or all of another finance unit, USL Capital.

### TRW to Sell Credit-Reporting Subsidiary

TRW Inc. plans to sell its consumer-credit reporting business, a source of many lawsuits over its credit checks, for about \$1.01 billion to an investment group led by Bain Capital Inc. and Thomas H. Lee Co., Bloomberg reported from Cleveland.

TRW Information Systems & Services is one of the three leading U.S. companies that compile information from stores and credit-card companies about people's bill-paying histories. It also has a major operation that develops targeted lists with demographic information for marketing.

TRW said Friday it would keep a small stake in the credit unit, and would use the \$1.01 billion in proceeds from the sale to buy back as much as 15 percent of its shares.

The unit had sales of about \$604.2 million last year, or about 6 percent of TRW's \$10.2 billion overall revenue. Its operating profit fell 10 percent to \$86.8 million in 1995.

Along with Equifax Inc. and Trans Union Corp., TRW Information Systems & Services dominates the credit-reporting industry.

The three big credit bureaus have been attacked by consumer groups for inaccuracies and poor data in running credit checks on individuals. TRW has garnered the most ill will because its brand name has become most identified with credit reports. It has also faced numerous lawsuits.

"Having a defense contractor owning a credit bureau has created conflicts in the past and the information side of TRW's business has been a source of bad publicity for many years," said Robert Ellis Smith, publisher of Privacy Journal.

## SHORT COVER

### Hong Kong Panel Expels Member

HONG KONG (Bloomberg) — The executive committee of the Stock Exchange of Hong Kong has suspended one of its members, who it said was being investigated by the territory's anti-corruption squad.

The 31-member executive committee resolved to advise the member who is under investigation by the Independent Commission Against Corruption "to cease to perform council-member duties until completion of the investigation," a statement said. The committee did not identify the member, and declined to comment.

Local newspapers reported Friday that Choi Chen Po-sun, who represents small, local brokers on the governing council, was arrested Feb. 3 on suspicion of handling transactions for firms seeking seats on the exchange, which the bourse's rules bar. She was released on bail.

### Opposition Grows to Farnell Bid

LONDON (Bloomberg) — Legal & General Group PLC joined other British institutional investors in opposing Farnell Electronic PLC's \$2.8 billion bid to buy Premier Industrial Corp., according to a published report.

The life insurer Legal & General, which has a 1.5 percent stake in the electronics company, joins Standard Life Assurance Co., which announced last week that it would not back the takeover because it was too expensive. Standard Life, also a life insurer, owns 2 percent of Farnell Electronic PLC.

Legal & General's decision was the latest sign of opposition to the bid. Legal & General has reduced its stake from 2.5 percent because of concern about a takeover.

Farnell is holding an extraordinary general meeting Feb. 15 to vote on the proposal. The company needs 75 percent backing to go ahead with the purchase.

### Interactive TV Comes to Europe

CANNES (Reuters) — Interactive television is coming to Europe in the second quarter of 1996 after a deal between the television group Nethold and a joint venture of Thomson Multimedia and Sun Microsystems Inc.

Regis Saint Girons, vice president, marketing and sales Europe, for Thomson Sun Interactive, said that Nethold Dutch, a South African group based in the Netherlands, as well as France Telecom had selected the joint-venture's Open TV system to offer interactive television.

It was not clear which country would be the first to receive the service, and those involved declined to give details.

### Privatization Begins in Emirates

ABU DHABI (Reuters) — The government will relinquish 300 million dirhams (\$82 million) worth of shares in two industrial enterprises, marking the start of privatization in the United Arab Emirates.

The official WAM news agency said 7,618 social security recipients would receive 150 million dirhams of shares in Abu Dhabi Foodstuff Industries and Al-Ain Livestock Farms. It did not say how many shares would be distributed.

Another 150 million dirhams worth of subsidized shares in the Abu Dhabi Foodstuff Industries would be allocated to an undisclosed number of low-income earners, the agency said. It did not give any details.

### Arab Food Shortage Worsens

ABU DHABI (AFP) — Arab food imports increased by nearly \$1 billion in 1995, and the farm gap is expected to worsen because of a rapid population growth and worldwide protectionism, an official Arab report said Sunday.

Imports by the 22-member Arab League of wheat, sugar, oil and meat were estimated to have increased by between \$793 million and \$1.15 billion in 1995, said the report by the Khartoum-based Arab Corporation for Agricultural Investment and Development.

It said the increase and a projected growth in farm imports in the near future widened the deficits in Arab balances of payments, already under pressure by slow growth in exports and a steady rise in imports.

## MEDIA: Vying for Spotlight

Continued from Page 11

Bertelsmann AG and Deutsche Telekom AG. AOL Europe hopes to overtake CompuServe in Europe within two years.

Despite the potential competition from these proliferating on-line services, traditional suppliers of CD-ROMs are confident that consumers will continue to build up multimedia libraries instead of downloading titles from on-line servers. Largely because of inferior image quality and slow data transfer, "it will take a long time before the World Wide Web will replace CD-ROM distribution," said Robert Stein, co-founder of the Voyager Co., a pioneer in multimedia publishing. "Even though people are spending more of their disposable time on-line and less on CD-ROMs, there is still a need to acquire the physical title, just like building a library of books that represent your intellectual history," he said.

Simon & Schuster Inc., Macmillan Ltd., Hachette Filipacchi, and the German publisher Burda GmbH were among the traditional book publishers flocking here with multimedia titles. With 90 CD-ROMs, including several based on the "Star Trek" television series, Simon & Schuster, a division of Viacom Inc., has plunged into the medium. Douglas Bennett, a vice president of the publisher's new-media group, said he saw little cannibalization of the CD-ROM market by on-line services until the bandwidth, or the capacity of the wires carrying the services, expands to provide quality similar to that from compact disks. Still, he said, "Even if there were a shift to on-line delivery, publishers would still need to contribute the content."

David Roman, head of new media for Apple Computer Europe, said, "CD-ROMs are still the dominant means of delivery of multimedia for the consumer, but the use of the World Wide Web is mushrooming." To take advantage of that growth, Apple has launched an internet-access kit that streamlines the connection process, and is expanding its broadcasts over the World Wide Web.

Internet address: CyberScape@iit-lib.demon.co.uk

## BANK: Bank of America Tries Again for Asian Consumer Market

Continued from Page 11

and a slew of operations throughout the region from which to expand in markets with links through family and business ties to the U.S. West Coast.

Bank of America (Asia) Ltd., the group's Hong Kong operation, has 17 branches and is its most profitable subsidiary outside the United States.

Once known as the Bank of Canton and inherited from Security Pacific, the Hong Kong operation's net profit was \$78.4 million Hong Kong dollars (\$102 million) in 1994, with consolidated total assets of 19.5 billion dollars.

Those Hong Kong profits represented roughly 5 percent of total parent group pretax income and half of the Asian operation's earnings that year. Analysts predict Bank of America (Asia) Ltd.'s earnings may be up to 30 percent higher in 1995.

In Hong Kong, the bank owns a stake in Inchoy Credit Corp. along with its joint-venture partner, Inchoy Pacific PLC, one of the region's largest automobile and equipment distributors. The two partners will extend their cooperation in other markets over time.

Bank of America is a partner, too, in Hongkong & Shanghai Insurance, a joint venture with QBE Insurance of Australia.

Since 1993, the bank has cranked up retail offerings at established branches in Singapore, Taiwan, India and the Philippines, where a consumer finance license has been upgraded into a fast-growing savings bank with 22 branches.

In January, Bank of America started issuing Visa and Mastercard in Taiwan and is actively trying to expand its credit card services to merchants, the other side of the charge-card business.

It plans to expand in Indonesia and Thailand and eventually Vietnam, another country many California immigrants once called home. China, too, is on Mr. Huihan's map: "We will do whatever we can do in China whenever they let us."

Whether Bank of America can capture enough local and trans-Pacific customers to make its renewed efforts worthwhile in the short term remains to be seen.

But if everyone in the second-largest bank in the United States, with its \$232.4 billion in assets at year-end 1995, is as upbeat about Asian consumer banking as Mr. Huihan, a serious competitor has re-emerged on the scene.

## The Week Ahead: World Economic Calendar, Feb. 12-16

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
<b>Expected This Week</b>	Bangkok: Thai Cane Paper PLC initial public offering for 18 percent of enlarged company; Bank of Thailand holds its weekly bond auction. Hong Kong: South China Morning Post reports earnings for the second quarter.	Madrid: Bank of Spain to release M4 money supply for January; Finance Ministry to release December current-account balance. Wiesbaden, Germany: German December retail sales; January wholesale prices.	Boston: The Eighth Annual Networks Expo Boston '96, Feb. 13 to Feb. 15. Chicago: The 88th Chicago Auto Show. Domestic and foreign automakers will display their latest cars, trucks and concept designs. Until Feb. 18.
<b>Monday Feb. 12</b>	Manila: Swift Foods Inc., lists 267.5 million shares on the stock exchange to cover for last year's 50 percent stock dividend. Melbourne: Broken Hill Pty. closing date for its takeover bid for Tube-makers of Australia Ltd.	Basel, Switzerland: Hans Tietmeyer, Bundesbank president, leads monthly meeting of Group of 10 central bank governors. London: January producer prices. Madrid: December industrial price index.	Ottawa: December motor-vehicle sales report. Washington: Fourth-quarter employment cost index; weekly report on planting progress for seven crops. Earnings expected: US West Inc.
<b>Tuesday Feb. 13</b>	Singapore: Fourth-quarter gross domestic product and industrial production. Tokyo: Machine-tool orders for December and 1995 and a forecast for the January-March quarter.	Frankfurt: Hans Tietmeyer, Bundesbank president, and Yves-Thibault de Siguoy, European Finance Commissioner speak on European monetary union. London: December construction new orders.	Atlanta: Atlanta Federal Reserve Board survey of manufacturing conditions in the Southeast is released. Mexico City: Foreign reserves. New York: Weekly survey of sales at more than 20 U.S. department, discount and chain stores.
<b>Wednesday Feb. 14</b>	Auckland: Carter Holt Harvey Ltd. reports fourth-quarter earnings. Singapore: Wholesale price index for January. Sydney: Westpac Melbourne Institute releases February consumer sentiment index.	Copenhagen: Danish January car sales. London: January unemployment and December average wages; February inflation report. London: World Gold Council's quarterly report on gold demand trends.	Washington: December import/export prices; weekly report on mortgage applications. Mexico City: Industrial production figures for November. Caracas: Weekly auction of short-term government securities.
<b>Thursday Feb. 15</b>	Singapore: Import and export statistics for January. Taipei: Report on foreign exchange reserves for December. Tokyo: Industrial production revision for December; wholesale price index for January.	Copenhagen: January consumer confidence. Frankfurt: Bundesbank policy-setting council meets. London: January retail price index; December machine-tool orders.	Ottawa: January consumer price report; January composite leading indicator. Washington: Initial weekly state unemployment compensation insurance claims; factory orders for November and December.
<b>Friday Feb. 16</b>	Hong Kong: Government reports business prospects survey for January 1996 and unemployment for quarter ended December 1995. Singapore: January retail sales. Wellington: Unemployment figures for the fourth quarter of 1995.	London: January public-sector borrowing requirement; February financial statistics. Voorburg, Netherlands: Average unemployment figures for November-January.	Mexico City: Gross domestic product for the fourth quarter and 1995. Washington: Construction spending for November and December; business inventories and sales; labor agreements for the fourth quarter of 1995.

## Economic Data Could Help Bond Prices Rise

**Bloomberg Business News**

NEW YORK — U.S. bond prices are poised to rise this week amid expectations that two government reports will show an economy slowing to a crawl.

On Thursday, the Federal Reserve Bank of Philadelphia, in its monthly survey, will probably report that companies are having difficulty raising or maintaining prices on a variety of goods sold in the mid-Atlantic states, analysts said. On Friday, the Federal Reserve's report on the plant-use rate for manufacturers may show the second monthly

decline, many economists said.  
The yield on the benchmark 30-year Treasury bond was little changed last

### U.S. CREDIT MARKETS

week amid an auction of new government debt. The old 30-year bond, the 6 7/8 percent issue due in August 2025, yielded 6.16 percent Friday, unchanged from the previous Friday.

Evidence that the economy is growing faster than expected might shake some investors' faith in the prospects for lower

rates, investors said Friday. Expectations that the Fed will soon cut rates are high, they said.

Thomas M. Hoernig, president of the Kansas City Federal Reserve Bank, may have dampened those hopes. He said Saturday that the economy "in very good shape," and would probably grow at a rate of about 2 percent in 1996.

Some analysts expect the Fed's Open Market Committee to implement another quarter-point cut at a meeting March 26 to keep the economy from sliding into a recession.

## BONDS: Bullish Tone Prevails

Continued from Page 10

has been fixed for the launch. More than a year elapsed between the award of a mandate by Poland and its appearance on the market, and Morgan has had a mandate for Slovenia since November that has yet to emerge as a public offering.

But a scattering of professional investors unanimously said they would pass up any such offering from Russia, particularly if the issue were to be launched before June presidential election.

Gordon John, who manages \$1 billion in bond investments for Zurich Investment Management from London said he buys emerging-market debt "but only from countries which have completed a full rescheduling of existing debt." Russia has agreed to a rescheduling of its debts to private banks that is expected to be signed by early summer and has yet to agree to a rescheduling of the debt owed to other governments.

Henry Loefer, head of private banking at Bank Julius Baer in Zurich said a public offering "shouldn't be done" and certainly not at the rumored spread of 450 basis points because Russia's Finance Ministry issues dollar paper in Moscow that trades internationally with current spreads of 725 basis points for one-year paper and nearly 1,200 basis points for three-year issues.

**BusinessWeek**

**This week's topics:**

- Japan's Auto Giants Are Doing Battle In Every Key Market
- Investors Jump Into Emerging Markets
- Can Malaysia Take The Next Step To Steady Growth?
- France: The Comeback Drive Of Alain Madelin
- Inside Apple's Boardroom Coup

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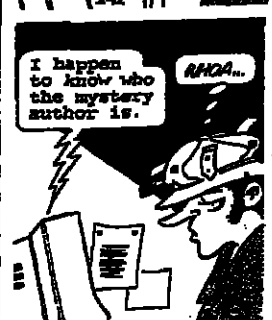
Consolidated trading for week  
ended Friday, Feb. 9  
(Continued)

[illegible]

## PEANUTS



To: Roland Hadley  
Assume you're famil-  
iar with "Primary  
Colors," the novel  
based on the '92  
Clinton campaign.



LET'S GO, BEETLE. YOU'LL BE LATE FOR INSPECTION!

I CAN'T FIND A BELT

WELL, BORROW ONE!

WHAT'S THAT?

ONE OF YOUR BELTS

NOW ANOTHER.

2-12

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SOMETIMES I JUST WANT TO TAKE A SHORTCUT TO THREE OF FOUR.

YES.

ALL DAY LONG IT'S REQUIRED TO BE A PERSON WHO'S PRETTY EXHAUSTING.

YES.

I SURE HATE TO HEAR YOU TALKER LIKE THAT.

WHY?

BECAUSE IT'S ALMOST TIME FOR SINGING.

YES.

© 1994 by Dave Coverly



YOU COULDN'T BE LAZIER IF YOU TRIED!

YOU DON'T TRY TO BE LAZY, MR. EXPERT!

JIM DAVIS 2-12

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ETHIL

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**NILTE**

HUBILS

TRY TO DO THIS AT TAX TIME.

**LOCASE**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

**Answer:** ☐ ☐ ☐ ☐ ☐ ☐ **A** ☐ ☐ ☐ ☐ ☐ ☐

**Saturday's** | Jumbles: **CURRY FOCUS PALACE UPSHOT**  
 Answer: Cleaning an icy windshield can help do

this -- **SCRAPE UP CASH**

"Oo, Sylvia! You've got to see this ... Ginger's bringing Bobby home, and even though her jaws can crush soup bones, Bobby only gets a few picks and scratches."

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**THE WORLD'S DAILY NEWSPAPER**







## SPORTS

## A Weekend of Upsets

### Missouri, Syracuse and Stanford Win

The Associated Press

For once, nobody could criticize

Missouri's 7-foot (2.12-meter) center has had a lot of trouble bobbling the ball, but he held on to an errant pass by Jerod Haase with about five seconds to go and then hit two free throws to clinch a 77-73 victory over No. 3 Kansas on Saturday.

"It felt like they weren't looking where they were throwing it," said Haley, whose finish made up for six turnovers. "The ball just came to me."

Haley's free throws with 2.9 seconds to go also were a bonus from his usual production. Haley is a 59 percent free

## COLLEGE BASKETBALL

throw shooter. While Haley was 3-for-4 from the line in the final 30 seconds, Kansas was 4-for-12 in the final 12:52, including four straight misses with in a span of two seconds.

Jason Sutherland scored 18 points as Missouri (15-8, 5-4 in the Big 8 conference) won for only the fourth time this season over a team with a winning record. Jacques Vaughn had 17 points and six assists for Kansas (19-2, 7-1), which had won eight of the previous 10 meetings against Missouri.

No. 4 Connecticut 73, Seton Hall 40. Nykesha Sales scored 19 points and Connecticut pushed its winning streak to eight games. The Huskies (22-3, 12-1 Big East) have won 21 of the last 22 games against the Pirates (12-10, 7-7).

Kara Wolters added 12 points and 10 rebounds for the Huskies, while Jamelle Elliott had 11 rebounds. Danielle Goley paced Seton Hall with 11 points.

No. 6 Villanova 78, Rutgers 64. Jason Lawson scored 18 of his 22 points in the second half to lift Villanova. After Rutgers (6-14, 3-9) got within 63-59 with 3:22 left, Lawson scored six straight points for the Wildcats (20-3, 11-2).

With Rutgers' big men in foul trouble, Lawson scored two straight baskets inside, then twice made one of two from the foul line.

This victory marked Villanova's best start since the 1963-64 season.

No. 7 Utah 78, Colorado St. 73. Keith Van Horn scored 22 points as Utah (19-3, 11-1 Western Athletic Conference) outscored Colorado State 15-4 midway through the second half to erase a 60-54 deficit.

Van Horn and Mark Rydall accounted for 11 of the Utes' points during the run that gave them a 69-64 lead with 6:40 to play. The Rams (14-8, 8-5) closed the gap to 69-68 on consecutive baskets by Bobby Sellers, but were unable to draw any closer.

No. 10 Syracuse 85, No. 8 Georgetown 64. John Wallace had 25 points and 13 rebounds and Syracuse held a foul-plagued Allen Iverson in check as the Orangemen routed Georgetown.

Oris Hill added 17 points for Syracuse (18-6, 8-5 Big East), while Jerome Williams had 24 points to lead Georgetown (19-5, 9-4).

Georgetown was within 55-47 with 12:14 to play when Syracuse went on a 13-3 run to push its lead to 18 points with seven minutes left and was never challenged again.

No. 11 Virginia Tech 78, Xavier, Ohio 73. Damon Watlington hit a pair of 3-pointers in a second-half run that set up the Hokies' victory over Xavier.

Watlington finished with 23 for Virginia Tech (18-2, 10-1 Atlantic 10), while Xavier (9-11, 5-5) turned the ball over 19 times.

Georgia Tech 92, No. 12 North Carolina 63. Drew Barry led Georgia Tech's school-record 3-point shooting performance with a career-high 30 points as the Yellow Jackets dominated North Carolina in overtime.

The Yellow Jackets (15-10, 8-3 Atlantic Coast Conference) scored a record 16 3-pointers. North Carolina (16-7, 7-4) has lost three straight conference games for the first time since 1992.

No. 13 Texas Tech 68, Texas A&M 63. Jason Sasser scored 19 points for Texas Tech, which remains undefeated in the Southwest Conference.

The Red Raiders (20-1, 9-0) shot 46.9 percent to the Aggies' (11-10, 3-6) 34.5 percent. But A&M made 18 of 19 free throws and outscored Tech 36-33, only the fourth time this season the Red Raiders were outscored.

No. 14 Purdue 69, No. 23 Michigan 64. Brad Miller hit four free throws in the final minute and Brandon Brantley had a crucial tip-in with 43 seconds to go as Purdue held off Michigan.

Michigan (15-8, 5-5) rallied to tie the score at 60-60 on a 3-pointer by Travis Conlan as Purdue (19-4, 9-2 Big 10) went nearly nine minutes without a field goal. But Miller, who finished with 14 points, made two free throws with 55 seconds left to put Purdue ahead to stay.

No. 25 Stanford 67, No. 17 UCLA 66. Brevin Knight had 19 points and nine assists as Stanford snapped a 10-game losing streak against UCLA.

David Harbour added 11 points for Stanford (15-5, 8-3 Pac-10), while J.R. Henderson had 19 points and Kris Johnson added 17 for UCLA (16-6, 9-2).

UCLA scored the final five points of the game, but Stanford was able to hold the ball for the final 46 seconds and protect its lead.

## For Barry, Inspiration Comes From Dr., Not Dad

The Associated Press

SAN ANTONIO, Texas — Ol' dad

never did anything like this.

Brent Barry, one of four basketball-playing sons of Hall of Famer Rick Barry, put on a sizzling show on All-Star Saturday, winning the slam dunk competition with a soaring performance that was more reminiscent of Dr. J than his earthbound father.

Barry, a rookie guard for the Los Angeles Clippers, took the slam dunk competition with a dunk that Julius Erving originated back in the first such contest at the 1976 American Basketball Association All-Star Game. From a running start, Barry took off with his foot straddling the foul line, bounding through the air to a straight-on dunk.

It drew a 49 out of a possible 50 points from a panel of judges that included Erving. "I think Julius was the one who suited me," Barry said.

Sunday's All-Star roster may be top-heavy with 30-something players in the twilight of their careers, but Saturday belonged to the NBA's next generation.

Besides Barry's victory in the slam dunk contest, the Schick Rookie Game ended on a thrilling note when Joe Smith's 3-point, almost-buzzer-beater was waved off, giving the Eastern Conference team a 94-92 victory.

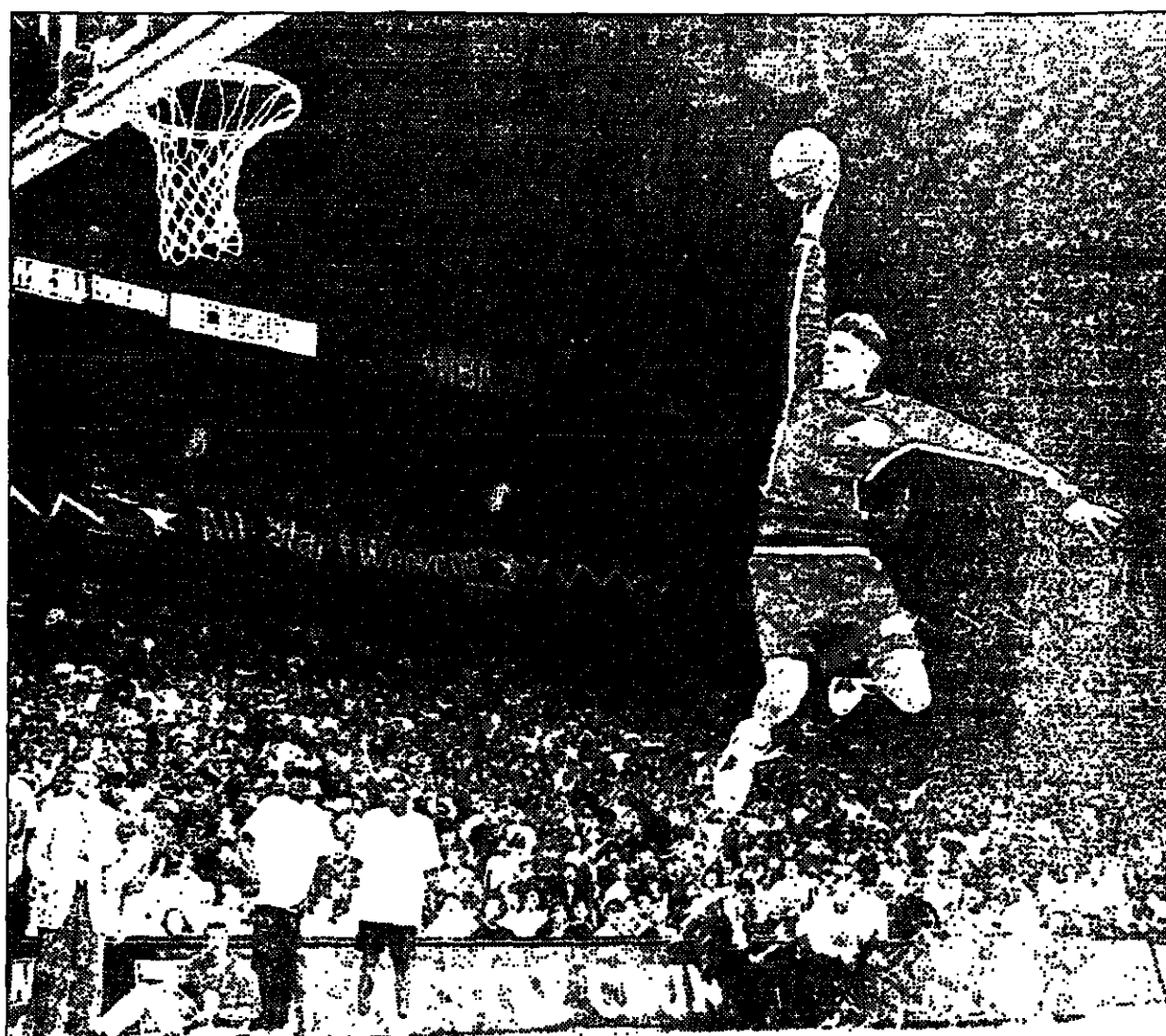
In between, the 3-point shooting contest was won by Washington's Tim Legler. Barry, who also made dazzling plays in the rookie game, capped off the evening in exciting fashion, impressing even Erving. "I thought his was awesome," Erving said. "It shows you what 22-year-old legs can do."

Barry, actually 24, is a 6-foot-6 (2.01-meter) beanie whose nickname is Bones. Erving was 26 when he did the dunk in '76, and 34 when he did it again in the inaugural NBA dunk contest in 1984. Michael Jordan did the same dunk to win in 1987.

"What Brent did was the kind of dunk you don't see in every contest," said Michael Finley of Phoenix, a fellow finalist. "I've never tried it, but I think I could do it."

Barry unveiled his free-throw dunk in the first round, getting screams from the crowd and a standing ovation from what he called the "\$1,000 suit section," the group of well-dressed All-Stars sitting on the sidelines.

Barry did not know what to do for his final dunk, but Clyde Drexler and Grant Thomas, soon changed his mind.



Brent Barry soaring from the free-throw line in the All-Star Slam Dunk Contest in San Antonio, Texas.

Hill urged him to fly again. As Barry walked beyond the halfcourt line, the crowd began cheering and he beckoned for more.

Is he the best dunker in his extended family, which includes Golden State's Jon and Drew, a senior at Georgia Tech? Barry said that the family's best jammer "certainly wasn't my father." But, he added, "Everybody can throw it down a little." Before the dunking contest, Barry scored eight points, had five steals and dished out four assists in the rookie game.

Toronto's tiny Damon Stoudamire was the star of the rookie game, winning the most-valuable-player award. He had 19 points on 8-of-16 shooting, 11 assists, four steals and only two turnovers.

Stoudamire, a 5-foot-10 point guard who is the early favorite for rookie of the year honors, had been bothered by a sore shoulder and thought about skipping the game. His boss, Raptors president Isiah Thomas, soon changed his mind.

"I got down here, the adrenaline started flowing and Isiah started calling my room," he said. "I think the biggest thing about it is it put a cap on a great first half of the season."

Stoudamire, who scored five of the East's final nine points, leads the expansion Raptors in points and assists and has played more minutes than any other rookie. This game was no different. "He was hoggin' it," Barry said. "Point guards love all-star games because they've got the ball all the time."

The game featured both a 19-year-old rookie, Minnesota's Kevin Garnett, and a 31-year-old rookie, Portland's Arvydas Sabonis.

In the 3-point-shot contest, Legler, who has played for six NBA teams and for clubs in three lesser professional leagues, set a blistering pace that no one could match. He scored 23 points in the first round, followed it with 22, and posted 20 in a final shoot-out with Dennis Scott of the Orlando Magic, who won

\$10,000 with rounds of 19, 19, and 14. Legler also has played for Phoenix, Denver, Utah, Dallas and Golden State in the NBA. "This makes up for a lot of things that have happened to me," he said. "Several teams in the NBA just gave up on me without giving me a chance." Charlotte's Glen Rice, the defending champion, did not get out of the first round.

■ **Hakeem Offers to Take a Seat**  
Hakeem Olajuwon of the Houston Rockets, chosen as the West's starting center, offered to let David Robinson of the San Antonio Spurs start in his home town, which Robinson declined with thanks, the Los Angeles Times reported from San Antonio.

"I didn't expect him to say anything like that," Robinson said. "I mean, I always had a lot of respect for him and I always felt like he had a lot of respect for me. That's the ultimate compliment when it comes to playing ball. I appreciate the gesture."

## Nicklaus Will End Majors Play

By Larry Dorman  
New York Times Service

The greatest streak in the history of professional golf and one of the most imposing in any sport — Jack Nicklaus' string of consecutive major championship appearances, which now stands at 136 — will come to an end this year.

Two people close to the golfer say that Nicklaus, 56, will announce on Monday that this year's U.S. Open will be his last and that he will probably skip the British Open — ending what would then be a streak of 136 major championship appearances — and play in his final PGA Championship.

The United States Golf Association granted Nicklaus a special exemption into his 40th U.S. Open this year, which will be played at Oakland Hills Golf Club in Birmingham, Michigan, June 13-16. It is the fourth one he has been granted, and he has told friends and associates that it is the final one he will accept.

He also is expected to announce that he will pass up the British Open, which will be played at Royal Lytham & St. Annes Golf Club from July 18-21. Nicklaus has officially entered that championship, but only as a hedge — if he somehow has his game in competitive shape, he will go. Should he stay away, as expected, he will end a streak of 34 consecutive appearances in the British Open and his absence would put a close to his streak of majors.

No golfer has compiled a major championship record to rival that of Nicklaus. His record of 18 victories in the four major championships — the Masters, U.S. Open, British Open, and PGA Championship — and two U.S. Amateur victories, which he resolutely includes among his major championships, is unparalleled. The closest any player has come is Walter Hagen's 11 victories: 2 U.S. Opens, 4 British Opens, and 5 PGA Championships.

Nicklaus got his first victory in the majors at the 1962 U.S. Open and his last in the 1986 Masters.

Nicklaus always said he would stop playing in the majors when he no longer felt competitive. His performances over the past five years indicate that the time finally has arrived. The last time he made the cut in all four majors in one season was 1991, and he has since missed nine cuts. That is just three fewer than he missed in his previous 124 major championship appearances.

## Cleveland's Artful Deal Leaves NFL Vulnerable

Vantage Point/Michael Wilbon

Washington Post Service

Considering how acrimonious the tug-of-war over Art Modell's football franchise had become, the agreement that gives Baltimore football now, Cleveland football later, and both cities new stadiums is almost a fantasy. If everybody isn't totally happy, at the very least they're somewhat placated. Cleveland, in three years, will be made whole, more or less, because the Browns will be back in action. Baltimore residents now can open their arms to a new team and not feel as if they stole something from Cleveland. Mayor Michael White can go back to worrying about schools and trash collection.

The deal might not be perfect, but try to come up with a better one, a deal where everybody saves face. If the National Football League can come up with a plan to make this mess go away, it makes you wonder why we ever had to put up with replacement games.

Admittedly, it does open up a whole new can of worms. Let's face it, if it wasn't for Mayor White pressuring the league with a focused, relentless and public insistence that Cleveland receive substantial reparations, the city would not be getting a team, a \$48 million loan toward construction of a new stadium and all its legal bills paid. Don't think Seattle and Houston aren't paying attention. Do you think they wouldn't like reparations that include a new team with the old colors and nickname and a new stadium?

Is the deal to placate Baltimore and Cleveland a case of plugging one hole, only to have water seep out of another hole somewhere else? Probably. For starters, where is the new Cleveland team going to come from? Expansion? Please. Thirty teams is already too many. If it comes from, say, Tampa, the NFL is going to look awfully hypocritical, with one hand encouraging existing teams to stay put, while the other robs Peter to pay Paul.

And it's not like Nashville, Baltimore and St. Louis are the last cities out there that believe they deserve big-league football. What about San Antonio? Salt Lake City? Portland? If the Seahawks stay in Seattle, where does the NFL get the team promised for Los Angeles? Another expansion team, which would make a total of 32? There may be enough cities, stadiums and luxury boxes to go around, but there sure aren't enough quarterbacks.

Still, the Cleveland-Baltimore deal was logical, particularly economically. The NFL will simply have to plug the other leaks as they break, because this stadium issue isn't going away unless Congress grants the league some kind of limited antitrust exemption, the kind that enables Major League Baseball to have a say in where its teams play.

The NFL was fortunate it didn't have to get involved in another potential standoff between Gary, Indiana, and Chicago. But the state of Illinois, the city of Chicago and the Bears are close to a deal for a \$450 million multipurpose dome just a couple of blocks south of Soldier Field. Bears fans would have been in considerable about the team moving those 45 minutes south, which would be akin to the Redskins moving to Baltimore. What would the NFL have done then? Does the league owe Chicago and Cleveland any more than it owes Seattle and Tampa?

The answer is, of course it does. The league has every reason to protect its biggest investments, which by any standard would include Chicago and Cleveland. The sellouts, the merchandise sold, the TV dollars almost demand it. Seattle doesn't have the leverage Cleveland has. Houston doesn't have the leverage Cleveland had. Seattle and Houston don't have the fight in them that Cleveland had; all the evidence you need came when the city of Houston held a rally for the Oilers and reportedly four people showed up.

In fact, the coolest thing about this whole messy episode is Cleveland's self-empowerment. White was able to channel all that emotion from the Dawg Pound and demand the NFL be accountable. The people who said folks in Cleveland were wasting their time were clearly wrong. There will be a team, it will wear orange and brown, it will have Jim Brown and Marion Motley and Otto Graham as its ancestors, it will play in a new stadium, and it will be called the Browns.

Given the despair we saw coming out of Cleveland since mid-autumn, three years without football in the larger scheme of things is a simple tick of the clock. I'll bet anything the people in Baltimore wish they'd have been so strong in their opposition to Bob Irsay's move 12 years ago. They might have had a team before now, they might have saved the blue horseshoe, the name "Colts" and the legacy of Unitas and Mackey for the city of Baltimore.

As is, Modell's team now may as well be an expansion team. It won't have any identity or history, no club records — those remain in Cleveland. Maybe that's one of the reasons Modell wants to hire Don Shula. Maybe Modell thinks he can buy some history and identity, or at the very least borrow some of Shula's. The bet here is you won't see Shula coach the Mustangs or whatever they'll be called.

Some things just shouldn't happen. Don Shula doesn't belong with a team called the Mustangs, just as the Browns don't belong in Baltimore. Thank goodness the NFL was able to broker some order in its universe, even if it's just a little bit.

## THIS WEEK ON

## EUROSPORT



A win in the Dubai Open will edge Thomas Muster closer to the top of the ATP rankings; can he capture the world number one slot? Alberto Tomba is the greatest name in skiing; will he capture his first World Championship title on the slopes of Sierra Nevada?

- Tennis** : 14 Feb - 18 Feb, LIVE, The ATP Dubai Open.  
Thomas Muster and Jim Courier lead the field for the Dubai Open. With its spectacular setting right at the edge of the desert and superb facilities, it is one of the players' favorite stops on the ATP Tour.
- Alpine Skiing** : 12 Feb - 25 Feb, LIVE, The Alpine Skiing World Championships.  
Sierra Nevada in Spain is the venue for the 1996 Skiing World Championships. The best racers in the world will battle it out over the next two weeks as they bid to be the next World Champion.
- Boxing** : 13 Feb, LIVE, The Commonwealth Super Bantamweight Title.  
Two competitive title fights from Sophie Gardens, Cardiff. Defending Champion, Neil Swain (Wales) takes on Nathan Sting (Aus), while Super Middleweight Joe Gatzaghe (GB) meets Napoleon Pitt (USA).
- Football** : 12 Feb - 13 Feb, Eurogoals Magazine.  
Eurogoals is Eurosport's weekly round-up of the best goals, action and analysis from various European premier leagues.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe, via cable and satellite.



